202	7

# FILE NOTATIONS

amntered in Jun File locatio to miled Card Lactail

Prillar's Log. .....

COMPLETION DATA: Date Well Completed 10.:15.74

℃ TA.... GW.... OS.... PA. J.

Location Inspected ... Bond released State or Fee Land 5.4-77

Chocked by Chief

19, 20 0 Est 20 10 fill-

Disab Noval Bullur ....

E. .... GR-N..... Micro..... Blat. Lat...... GR-N..... Micro.....

11 11 10 Farmers, Lat. .... Min J. .. . D. 13. ....

CBLcg..... CCLog..... Others....

LOGS FILED





October 12, 1973

Oil and Gas Commission of the State of Utah 1588 West North Temple Salt Lake City, Utah 84116

Re: #1 Kaiser Steel

Section 21, T-13-S, R-7-E Carbon County, Utah

## Gentlemen:

Enclosed for your approval are two copies of an Application for Permit to Drill the above-referenced well with survey plats attached. It would be greatly appreciated if you would approve this application at your earliest convenience as we plan to drill as soon as a rig becomes available.

Yours very truly,

Patrick D. Maher

Executive Vice President

PDM/jm Encl.



Form approved. Budget Bureau No. 42-R1425.

		TED STATES	_	reverse s				
	DEPARTMEN'	T OF THE I	NIER	IOR		5. LEASE DESIGNATION AT	ND SERIAL NO.	
	Fee							
APPLICATIO	Y FOR PERMIT	TO DRILL, I	DEEPE	N, OR PLUG E	BACK	G. IF INDIAN, ALLOTTEE C	R THIBE NAME	
	ILL 🛛	DEEPEN [		PLUG BA	CK 🗌	7. UNIT AGREEMENT NAM	(E	
b. TYPE OF WELL	AS OTHER			GLE MULTIF	'LE 📋	8. FARM OR LEASE NAME		
WELL W	ELL LA OTHER		ZO	NE L ZONE	<u></u> _	Kaiser Steel		
Energetics.	Inc. (d/b/a Col	lorado Enero	etics	. Inc. in Utal	n)	9. WELL NO.		
3. ADDRESS OF OPERATOR						#1 Kaiser Stee	1	
333 West Ham	pden Ave., Engl	ewood, Cold	orado	80110		10. FIELD AND POOL, OR	WILDCAT	
4. LOCATION OF WELL (R	eport location clearly and	in accordance wi	th any St	tate requirements.*)		Wildcat		
	1, T-13-S, R-7-	E (2044' FI	NL. 22	296' FEL)	· maranan	11. SEC., T., R., M., OR BL AND SURVEY OR AREA	K. A	
At proposed prod. zor	ae			SWSWA		Sec. 21, T-13-	S, R-7-E	
	AND DIRECTION FROM NEA		T OFFICE	•		12. COUNTY OR PARISH		
	h of Scofield,	Utah				Carbon Co.	Utah	
15. DISTANCE FROM PROP LOCATION TO NEARES	r		16. NO.	OF ACRES IN LEASE		OF ACRES ASSIGNED THIS WELL		
(Also to nearest dri	g. unit line, if any)			8140		640		
18. DISTANCE FROM PROI TO NEAREST WELL, OR OR APPLIED FOR, ON TH	RILLING, COMPLETED,		19. PR	6200 <b>-</b>	1 .	ary or cable tools		
21. ELEVATIONS (Show wh		•				22. APPROX, DATE WORK	WILL START*	
	9' GR.					10-20-73		
23.	]	PROPOSED CASII	NG AND	CEMENTING PROGR.	AM			
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER F	оот	SETTING DEPTH		QUANTITY OF CEMENT		
12-1/4	9-5/8	32.3		1100'	1	surface		
8-3/4	/	20		3400'	-	) sacks		
6-1/4	. 4-1/2	9.5	1	6200'	250	) sacks		
		•	,		•		y distribution of the second o	
cement to sur and set 7" ir and set 4-1/2 will be teste	face. Drill 8- termediate case " casing, if inc d as drilled a	-3/4" hole ing. Drill dicated product of the produc	with a 6-1/ ducti poros	air to 3400' <u>+</u> 4" hole to TD ve. All zones ity logs will	to to at appr encour be run	urface casing and poor of lower Mandroximately 6200'n tering shows over anticipateng and intermedi	cos ed	

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive sone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

casing will be tested prior to drilling out and daily BOP checks will be made.

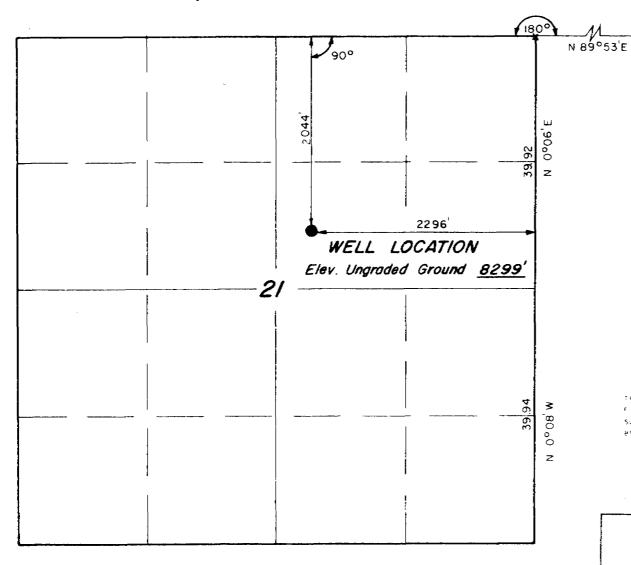
4.  BIGNED	ORIGINAL SIGNED BY: Partick D. Mather Executive Vice President	Executive Vice	President	рать 10-12-73
(This spa	nce for Féderal or State office use)	APPROVAL DATE	- AM - 10 - 10 - 10 - 10 - 10 - 10 - 10 - 1	
	/			
APPROVED	BY TIT.	GB		DATE

√ 1/4 Corner

# ENERGETICS INCORPORATED

Well location, located as shown in the SW I/4 NE I/4, Section 21, TI3S, R7E, S.L.B.&.M. Carbon County, Utah

# TI3S, RTE, S.L.B.& M.



X = SECTION CORNERS LOCATED (BRASS CAPS)

#### CERTIFICATE

THE IS TO CERTIFY THAT THE ABOVE POAT WAS PREFARED FROM FEED NOTES OF ACTUAL SURVEYS MADE BY WE SR WARDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO TH BEST OF MY KNOWLEDGE AND HELIEF

REGISTERED LAND SURVEYOR REGISTRATION Nº 2454

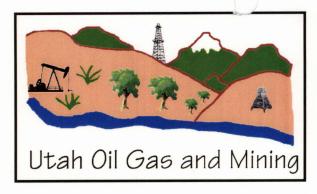
UINTAH ENGINEERING & LAND SURVEYING POBOX Q - HO EAST - FIRST SOUTH

VERNAL, UTAH - 84078

SCAUL	(DATE
1 = 1000	OCTOBER 5, 1973
FART / L.D.T. B.W.	REFERENCES GLO PLAT
WEATHER	Fig. F

AIR ENERGETICS INC.

APD RECEIVED: 10/12/1973	API NO. ASSIGN	ED: 43-007-300	21				
WELL NAME: KAISER STEEL 1  OPERATOR: CLEAR CREEK LLC ( N1920 )  CONTACT: STEVEN PRINCE	PHONE NUMBER: 4	PHONE NUMBER: 435-613-0416					
PROPOSED LOCATION:	INSPECT LOCATI	N BY: /	/				
SENW 21 130S 070E	INSPECT LOCATI	·	/				
SURFACE: 1491 FNL 2284 FWL	Tech Review	Initials	Date				
BOTTOM: 1491 FNL 2284 FWL CARBON	Engineering	DRD	7/19/02				
UNDESIGNATED ( 2 )	Geology						
LEASE TYPE: 4 - Fee	Surface						
LEASE NUMBER: FEE  SURFACE OWNER: 4 - Fee  PROPOSED FORMATION: FRSD	LATITUDE: 39.6	. 14512					
Plat  Plat  (No. O O O )  Potash (Y/N)  Oil Shale 190-5 (B) or 190-3 or 190-13  Water Permit  (No. T26232 )  RDCC Review (Y/N)  (Date: )  Surf Agreement (Y/N)	Drilling Un  Board Caus  Eff Date:  Siting:	General From Qtr/Qtr & 920' Fraception it					
stipulations: 1-Stehement of basis.  2-Sparing Stip.							

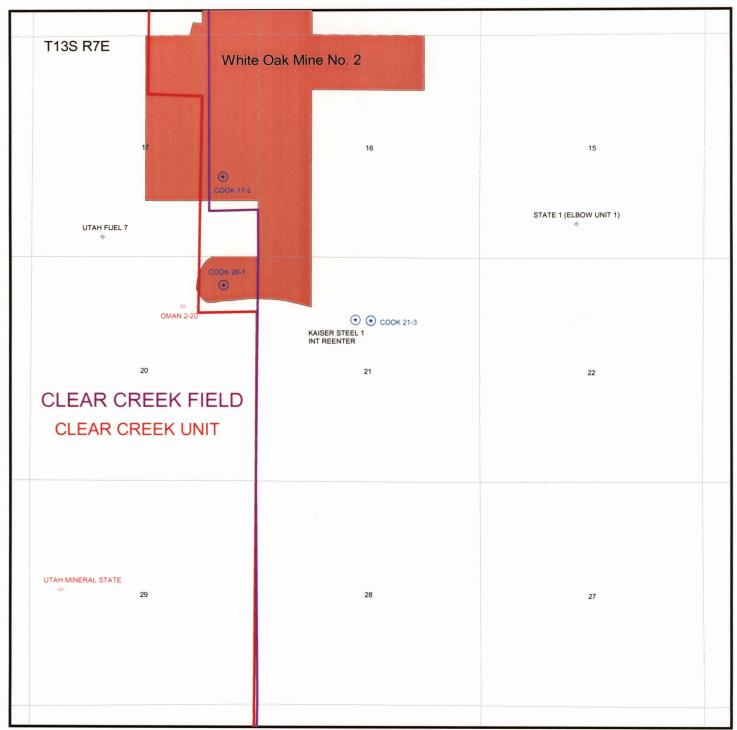


OPERATOR: CLEAR CREEK LLC (N1920)

SEC. 21, T13S, R7E

FIELD: UNDESIGNATED (002)

COUNTY: CARBON SPACING: R649-3-3/EX LOC



October 17, 1973

Energetics Inc. 333 West Hampden Avenue Suite 1010 Englewood, Colorado 80110

Re: Well No. Kaiser Steel #1
Sec. 21, T. 13 S, R. 7 E,
Carbon County, Utah

#### Gentlemen:

Insofar as this office is concerned, approval to drill the above referred to well is hereby granted.

Should you determine that it will be necessary to plug and abandon this well, you are hereby requested to immediately notify the following:

PAUL W. BURCHELL - Chief Petroleum Engineer HOME: 277-2890 OFFICE: 328-5771

Enclosed please find Form OGC-8-X, which is to be completed whether or not water sands (aquifers) are encountered during drilling. Your cooperation relative to the above will be greatly appreciated.

The API number assigned to this well is 43-007-30021.

Very truly yours,

DIVISION OF OIL & GAS CONSERVATION

CLEON B. FEIGHT DIRECTOR

CBF:sd

Energetics Inc. 333 W. Hampden Avenue Englewood, Colorado 80110

Re: Well No's:
Kaiser Steel #1
Sec. 16, T. 13 S, R. 7 E,
Carbon County
Kaiser Steel #1
Sec. 21, T. 13 S, R. 7 E,
Carbon County
Federal 41X-11
Sec. 11, T. 26 S, R. 6 E,
Federal 23X-7
Sec. 7, T. 26 S, R. 7 E,
Emery County, Utah

# Gentlemen:

Upon checking our records, it is noted that you have not filed a "Monthly Report of Operations" for the months of October '73 thru' June '74, for the subject wells.

Rule C-22(1), General Rules and Regulations and Rules of Practice and Procedure, requires that said reports be filed on or before the sixteenth (16) day of the succeeding month. This report may be filed on Form CGC-lb (U.S. Geological Survey 9-331) "Sundry Notices and Reports on Wells", or on company forms containing substantially the same information.

Your prompt attention to the above will be greatly appreciated.

Very truly yours,

ECHEREE WILCOX ENECUTIVE SECRETARY



September 9, 1974

Sheree Wilcox Executive Secretary State of Utah, D.N.R. Division of Oil & Gas Conservation 1588 W. N. Temple Salt Lake City, Utah 84116

Dear Ms. Wilcox:

With reference to your letter July 23, 1974, enclosed please find form OGCC-1b for Energetics Fed. 41X-11 and 23X-7 as requested. These give data of work to date with present status.

The well Kaiser Steel #1, S16, T13S, R7E is now an abandoned location at the request of the landowner. The other Kaiser Steel #1 S21, T13S, R7E was spudded 6:00 p.m. September 8, 1974, and the well will now be drilled as applied for. The delay was due to not being able to get a contractor until very recently and this required moving drilling equipment in from Canada.

Please note that we really have no excuse for not filing reports except that (1) I thought the preliminary reports had been filed and (2) we were inactive until September 1, 1974.

Sincerely,

R. C. Turtle

Operations Manager

CoTurtle

RCT:s1p Enclosures

P_	<u> </u>	

1	STATE OF UTAH	SUBMIT IN TRIPLICATES (Other instructions on re-		
OIL & GAS C	ONSERVATION COMMISSION	verse side)	5. LEASE DESIGNATION Fee	AND SERIAL NO.
	NOTICES AND REPORTS ON proposals to drill or to deepen or plug back to PLICATION FOR PERMIT—" for such proposal		6. IF INDIAN, ALLOTTER	OR TRIBE NAME
i. OIL GAS WELL OT	HDR		7. UNIT AGREEMENT NA	MB
2. NAME OF OPERATOR			8. FARM OR LEASE NAM	D
ENERGETICS, INC., d,	/b/a COLORADO ENERGETICS, IN	IC., in Utah	Kaiser Steel	
8. ADDRESS OF OPERATOR			9. WELL NO.	
333 W. Hampden Ave.	, Suite 1010, Englewood, CO	80110	#1 Kaiser Ste	eel
See also space 17 below.) At surface	tion clearly and in accordance with any State	requirements.	10. FIELD AND FOOL, OR Wildcat	WILDCAT
SE NW Sect	ion 21, T13S-R7E		MITUCAL 11. SEC., T., R., M., OR BI	AND
(1400' FNL	, 2394' FWL)		SURVEY OR AREA	v=. AND
(4,,,,	, ,		Sec. 21, 13S-	-7E
14. PERMIT NO.	15. BLEVATIONS (Show whether DF, RT, GI 8220 GR.	s, etc.)	12. COUNTY OR PARISH Carbon Co.	13. STATE Utah
16. Chec	k Appropriate Box To Indicate Nature	of Notice, Report, or O	ther Data	
NOTICE OF	INTENTION TO:	au Barqui	ENT REPORT OF:	

FULL OR ALTER CASING WATER SHUT-OFF REPAIRING WELL

TEST WATER SHUT-OFF FRACTURE TREAT MULTIPLE COMPLETE SHOOT OR ACIDIZE ABANDON\* REPAIR WELL CHANGE PLANS (Other) Change Location

FRACTURE TREATMENT ALTERING CASING SHOOTING OR ACIDIZING ABANDONMENT\* (Other) (NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

As requested by the landowner, Operator proposes the following change of location of the above well and regests the required topographical exception:

SE NW Section 21, T13S-R7E (1400' FNL, 2394' FWL) as noted on the accompanying survey plat, instead of SW NE Section 21 as shown on the Application for Permit to Drill for this well.

Operator also proposes to run 600' of 9-5/8" surface casing, instead of 1100' of 9-5/8" casing, as shown on the application.

> APPROVED BY DIVISION OF OIL & GAS CONSERVATION

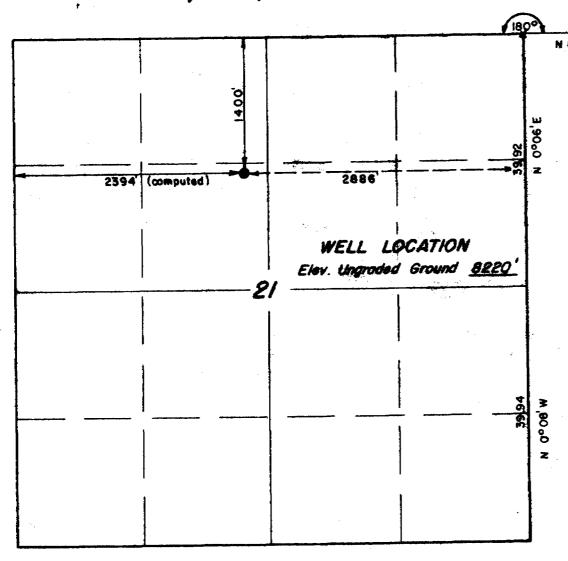
DATE SEP 27 19/4 BY ( b Feight )

18. I hereby certify that the foregoing isytyle and correct SIGNED R. C. LINCT LO	t <sub>TITLE</sub> Operations Manager	DATE 9/23/74
(This space for Federal or State office use)	-	
APPROVED BY CONDITIONS OF APPROVAL, IF ANY:	TITLE	DATE

# ENERGETICS INCORPORATED

Well location, located as shown in the SW 1/4 NE 1/4, Section 21, TI3S, R7E, S.L.B.B.M. Carbon County, Utch

TI3S, RTE, S.L.B.& M.



CERTIFICATE

THIS IS TO CENTIFY THAT THE ABOVE PLAT THE PREMAP FROM
FIELD HOTES OF ACTUAL SURVEYS MADE BY ME ON UNDER MY
SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT. TO THE
BEST OF MY KNOWLEDGE AND BELIEF.

REGISTRATION NE 2454 STATE OF UTAH

Revised 19 Oct., 1973

I/4 Corner

UINTAH ENGINEERING & LAND SURVEYING
P.O. BOX Q -- 110 EAST - FIRST SOUTH
VERNAL, UTAH - 64078

i .	
SCALE  = 1000	DATE OCTOBER 5, 1973
PARTY L.D.T. B.W.	REFERENCES GLO PLAT
WEATHER FAIR	FILE ENERGETICS INC.

X = SECTION CORNERS LOCATED (BRASS CAPS)

005

# September 30, 1974

# MEMO FOR FILING

Re: ENERGETICS, INC. Kaiser Steel Fee #1 Sec. 21, T. 13 S, R. 7 E, Carbon County, Utah

On September 26, 1974, a visit was made to the above referred to well site.

Met with the driller, Leon Decker, and the toolpusher, Kim White, and a safety inspection was made of the Westburne Drilling Company Rig #59. Rig and equipment was brought in from Canada and it was learned that Westburne proposes to bring seven more rigs into Utah. The overall inspection was considered poor, and by copy of this memo, the Industrial Commission will be recommended to re-check.

At the time of the visit they were drilling at 3898', and to date they have set 9-5/8" surface casing at 612' and 3,370' of 7" intermediate string. They propose to continue drilling to a depth of 6,100' to test the potential of the Ferron and Dakota formations.

It should be noted that coal and lost circulation was encountered at a depth of around 1,000' in the Mesa Verde Formation.

PAUL W. BURCHELL CHIEF PETROLEUM ENGINEER

PWB: Lp

cc: Industrial Commission

Time
WERE OUT
124 ex 18
PLEASE CALL HIM
PLEASE CALL HER
WILL CALL AGAIN
<del>-</del>

Operator

10/7/74 m. Douglas Chergetics dooped - Hige # 1 Steel Fe 21 T/35 R 7 E Carbon Co. T.D. - 5915 6 Role - 20 = 100' Morenede surface to 3496 Blue Sat Shale - 3496 Ferron - 5390 to 5881 Denne Moneoz T. D. No shows no testo - To water 3370' Intermelit - 1' - Will cut 3370' Intermelit -Gel ~ 2000' durfore carry 0 611' - 9 5" 1) Let 100' = 5300 to 5000 Bore of 7"
100 = 3300 t 3400 (3) 100 plge at stut (4) 100 bregseg fici (5) 10 sb/ maker for 8,9 = / gal 46 wescard W. L = 7 JAB . Ph-

STEE SECTION

Pat Maker -Energetici 58. Valoria. 1 Haigen# 1 Dealogest 1) set 100' cend vorm stut 2 2000' on lane bole gypes 2 2000' to beg sufre pipe 2 600' (2) screw in bull play of suf-(3) bleave liability for pf of to Mr. facobs (despedd) approprient center from state Engerer - if not - come book in Africa for the grafice.

ODA

OGCC-1 be	1,20	AT AT A	
	TATE OF UTAH	SUBMIT IN TRIPLICATE® (Other instructions on re-	
OIL & GAS COI	NSERVATION COMMISSIO	wanua alda)	5. LEASE DESIGNATION AND SERIAL NO.
·		····	Fee 6. IF INDIAN. ALLOTTEE OR TRIBE NAM
SUNDRY NC  (Do not use this form for pro Use "APPL	OTICES AND REPORTS C possals to drill or to deepen or plug be ICATION FOR PERMIT—" for such pre-	ON WELLS ack to a different reservoir. opossals.)	O. IF INDIAN, ALLOTTER OR TRIBE NAM.
OIL GAS WELL OTHER			7. UNIT AGREEMENT NAME
2. NAME OF OPERATOR			8. FARM OR LEASE NAME
Energetics, Inc., d/b,	/a Colorado Energetics,	Inc., in Utah	Kaiser Steel
	Suite 1010, Englewood,	CO 80110	#1 Kaiser Steel
	n clearly and in accordance with any S		10. FIELD AND FOOL, OR WILDCAT Wildcat
SE/NW, 1400'	FNL & 2394' FWL		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
			S21, T13S, R7E
14. PERMIT NO.	15. ELEVATIONS (Show whether DF.		12. COUNTY OR PARISH 13. STATE
	8220' G.L.	(RKB=+18')	Carbon Utah
16. Check	Appropriate Box To Indicate No	sture of Notice, Report, or C	Other Data
NOTICE OF INT	•		ENT REPORT OF:
TEST WATER SHUT-OFF	PULL OR ALTER CASING	WATER SHUT-OFF	REPAIRING WELL
FRACTURE TREAT	MULTIPLE COMPLETE	FRACTURE TREATMENT	ALTERING CASING
SHOOT OR ACIDIZE	ABANDON*	SHOUTING OR ACIDIZING	ABANDONMENT* X
REPAIR WELL	CHANGE PLANS	(Other)	
(Other)		Completion or Recomple	of multiple completion on Well etion Report and Log form.)
17. DESCRIBE PROPOSED OR COMPLETED Corposed work. If well is direct	PERATIONS (Clearly State all pertinent ctionally drilled, give subsurface locationally drilled,	details, and give pertinent dates, ons and measured and true vertica	including estimated dute of starting an l depths for all markers and zones pert
nem to this works,			•
Spudded 9/8/74 P & A 10/17/74			
<ol> <li>Set 9-5/8" surface</li> <li>Drill 8-3/4" hole</li> <li>Drilled 6-1/8" hole</li> <li>Spotted 20 sx plue</li> <li>Recovered 2200' 7</li> <li>Spotted 35 sx plue half in/half out</li> </ol>	ctor pipe to 46'. Circ e pipe @ 611' RKB. Cir to 3375' with air and le to 5915' W.L.M. Sch g 5400-5300 and 3400-33 " csg. g half in/half out of 7 of 9-5/8 csg @ 611'. and erected Dry hole Ma	culated cement. aireatedmud. Set 7" lumberger logged wel 300. " stub @ 2200'. Spo	1.
Formation Tops:			
Blue gate sh 3496 Ferron 5390			
Normal fault 5780			
Dakota 5795			
Cedar Mtn. 5881			
	_		
18. I hereby certify that the foregoing			
SIGNED 8: Company	TITLE Oper	ations Manager	
(This space for Federal or State of	office use)		
	·		
APPROVED BYCONDITIONS OF APPROVAL, IF	ANY:		DATE

010

SUBMIT IN DUPLICATE\*

1

/		ST	ATE	OF UT	ΑH			(See	other in-			C
	OIL & G	AS CON	SERV	A TION	L COM	MISSIO	N		tions on rse side)	5. LEASE DE	SIGNATI	ON AND SERIAL NO
	012 & 0		· O L I V ·	A I I O I	COM		14			<u>Fee</u>		
WELL CO	MPLETION	OR R	ECON	APLETI	ON I	REPORT	AN	D LO	G *	6. IF INDIAN	, ALLOT	TEE OR TRIBE NAM
. TYPE OF WEL	L: 01	ELL	WELL 7	<u> D</u>	RY 🗌	Other	-			7. UNIT AGRI	EEMENT	NAME
NEW WELL	WORK D	EEP-	PLUG BACK	DIFF	vr.	OtherP	' & A			S. FARM OR	LEASE	NAME
NAME OF OPERAT						VIII.				Kaiser	Stee	el
Energetics	Inc. dba	Colora	ado Er	nerget.	ics T	nc. in	 Utah			9. WELL NO.		
. ADDRESS OF OPER	RATOR			_						#1 Kai		
333 West H	ampden Av	e., Su	<u>ite 10</u>	)10 <b>,</b> D	enver	, Color	<u>ado</u>	80110	)	-	ID POOL	OR WILDCAT
	.L (Report loca 00' FNL a				with an	y State requ	ıremen	ta) <del>-</del>		W.C.	R., M., 0	R BLOCK AND SURVE
At top prod. into			, 1,41	_						OR AREA		
At total depth										gor m	TOC I	27 <b>5</b>
				14. PE	RMIT NO.	· · · · · · · · · · · · · · · · · · ·	DATE	ISSUED		S21, T		13. STATE
				1			10	17-73		Carbo	ንተ	Utah
. DATE SPUDDED	16. DATE T.D.	REACHED	17. DATE	COMPL.	(Ready t	o prod.)   1			DF, RKB,	RT, GR, ETC.)*		LEV. CASINGHEAD
9-8-74	10-15 <b>-</b>	.74		P & A	L			20 G.I				<b>-</b>
9-8-74 . total depth, md	& TVD   21. P	LUG, BACK T.	D., MD & 1	rvD   22		TIPLE COMP		23. INT		ROTARY TOO	LS	CABLE TOOLS
5915		urface			-				<del>-&gt;</del>	5915		
PRODUCING INTER	VAL(S), OF TH	S COMPLETI	ON—TOP,	воттом,	NAME ()	MD AND TVD	•				25.	. WAS DIRECTIONAL SURVEY MADE
T 0 4											j	Voc
P & A	ND OTHER LOGS	RUN										Yes
IES GR-Son												No
	ILC .		CASI	NG RECO	RD (Rer	ort all strin	as set i	n well)				110
CASING SIZE	WEIGHT, LI	./ <b>FT</b> . D	EPTH SET			LE SIZE	T		MENTING	RECORD	]	AMOUNT PULLED
13 3/8	54.5		46		17	1/2		Circu	ılate	d		_
9 5/8	36.0		611		12	1/4		Circu	ılate	d .		
7''	26.0	3	370		8_	3/4		300 s	5X	700 st		2200'
· ·	· · · · · · · · · · · · · · · · · · ·	LINER R	ECORD		<u> </u>			30.		TUBING RECO	OPD	
BIZE	TOP (MD)	воттом		SACKS CI	EMENT*	SCREEN (	MD)	SIZE		DEPTH SET (M		PACKER SET (MD)
		-								DELLA BEL (III	-	
					<del></del>							
. PERFORATION REC	ORD (Interval,	size and nu	mber)			82.	AC	тр, внот	. FRAC	TURE, CEMEN	T SQUE	EZE, ETC.
						DEPTH 1	NTERVA	L (MD)	A !	IOUNT AND KIN	D OF M	ATERIAL USED
T) 0 4							·		<b> </b>			
P. & A									·			
									·			
. •					PROI	DUCTION	·		<u>                                     </u>		•	
TE FIRST PRODUCT	ION PRO	DUCTION ME	THOD (F	lowing, ge	ze lift, pi	umping <u>ei</u> z	e and t	ype of pu	mp)		STATUS t-in)	(Producing or
TE OF TEST	HOURS TESTE	о сног	KE SIZE		N. FOR PERIOD	OIL—BÉL.		GASM	CF.	WATER—BBI	(	GAS-OIL BATIO
OW. TUBING PRESS.	CASING PRESS		ULATED	011,1	BBL.	GAS-	-MCF.	<u> </u>	WATER-		OIL GR	AVITY-API (CORR.)
		_   -	OUR RATE	<u> </u>								
. DISPOSITION OF G.	AS (Sold, used f	or fuel, ven	ted, etc.)							TEST WITNES	SED BY	
. LIST OF ATTACH	MENTS									.1	_	
i. I hereby certify	that the forego	ing and at	tached in	formation	is comp	lete and cor	rect as	determin	ed from	all available r	ecords	
SIGNED	Colu	th		TI?	rle O	peratio	ns Ma	anager	,	<b>ከል</b> ጥ ከ	. Mar	ch 19, 1975

# INSTRUCTIONS

General: This form is designed for submitting a complete and correct well completion report and log on all types of lands and leases to either a Federal agency or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office. See instructions on items 22 and 24, and 33, below regarding separate reports for separate completions.

If not filed prior to the time this summary record is submitted, copies of all currently available logs (drillers, geologists, sample and core analysis, all types electric, etc.), formation and pressure tests, and directional surveys, should be attached hereto, to the extent required by applicable Federal and/or State laws and regulations. All attachments should be listed on this form, see item 35.

item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

item 18: Indicate which elevation is used as reference (where not otherwise shown) for depth measurements given in other spaces on this form and in any attachments.

Items 22 and 24: If this well is completed for separate production from more than one interval zone (multiple completion), so state in item 22, and in item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) (if any) for only the interval reported in item 33. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.

Item 29: "Sacks Cement". Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

Item 33: Submit a separate completion report on this form for each interval to be separately produced. (See instruction for items 22 and 24 above.)

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.		Т	тор		
				NAME	MEAS. DEPTH	TRUE VERT. DEPTH		
lue Gate	-3496					İ		
erron	-5390							
. Fault	-5780	:						
akota	-5795							
edar Mountain	-5881							
*								
						1		

E OF UTAH & GAS CONSERVATION COMMISSION E CAPITOL BLDC LAKE CITY, UTAH 84114	817-17th Street - Suite 500
GETICS, INC DBA COLO ENERGETICS, INC	DATE 04 25 77
EB 21, 1975, OUR OFFICE ISSUED A STA LSO HAVE ON FILE A ONE WELL BOND IN . SINCE WE HAVE THE BLANKET BOND ON #931A4768 SO WE MAY CANCEL. K YOU, GEBAUER	THE AMOUNT OF 5,000 DOLLARS FOR
	SIGNED:
	SIGNED:
1	& GAS CONSERVA ON COMMISSION E CAPITOL BLDG LAKE CITY, UTAH 84114  GETICS, INC DBA COLO ENERGETICS, INC  EB 21, 1975, OUR OFFICE ISSUED A STA LSO HAVE ON FILE A ONE WELL BOND IN . SINCE WE HAVE THE BLANKET BOND ON #931A4768 SO WE MAY CANCEL.  K YOU,  GEBAUER

May 6, 1977

Harlan Incorporated of Colorado 817 17th Street Suite 500 Denver, Colorado 80202

Drilling Bond No. 931A4768

Energetics, Inc. Amount: \$5,000 Dated: Sept. 25, 1973

# Gentlemen:

Please be advised that insofar as this Division has on file a Statewide Blanket Bond on behalf of the above, liability under Bond No. 931A4768 may be terminated.

Should you determine that additional information may be required, please advise.

> Very truly yours, DIVISION OF OIL, GAS, AND MINING

> > CLEON B. FEIGHT Director

/SW

Energetics. Inc. 333 W. Hampden Ave. Englewood, Colorado 80110

# Clear Creek CBM, LLC

1431 N. 1200 W., Orem, UT 84058 • (801) 225-0600 • FAX (801) 225-0666

March 26, 2002

RECEIVED

Mr. Dustin Doucet, Petroleum Engineer State of Utah, Department of Natural Resources Division of Oil, Gas and Mining 1594 West North Temple, Suite 1210 Salt Lake City, UT 84114 MAR 2 7 2002

DIVISION OF OIL, GAS AND MINING

RE: Application for Permit to Re-enter - Kaiser Steel #1, SE/NW, Section 21, T13S, R7E, SLB&M, Carbon County, Utah

Dear Dustin:

Please find attached the original and two copies of Form 3 - Application for Permit to Drill (APD) for the above named well. Included with the APD is the following supporting documentation:

Exhibit "A" - Location map;

Exhibit "B" - Survey plat;

Exhibit "C" - Drilling site plan with cross-sections; and

Exhibit "D" - Drilling program.

We plan to nipple up a wellhead on the plugged and abandoned Kaiser Steel #1 well, drill out the cement plugs, log the well, and run 5-1/2" casing to TD.

The Location Map, Survey Plat, and Cross-sections included herewith are from the Cook 21-3 survey, but since both wells will exist on the same site and the existing Kaiser Steel #1 well is shown on the plats, I am hoping they will be adequate for this application. Please let me know soonest if we need additional survey data.

Water for the project will be taken from either Mud Creek or Eccles Creek per an agreement with Carbon County and approved by Mark Page of the Division of Water Rights. The Temporary Change Application No. \$\Pi\cdot 26232 (91-2) and all supporting documentation are on file at the Price office of the Division of Water Rights.

This well exists on an exception location; however, all minerals in the contiguous quarter sections are owned by the same entity (B & C Energy) as this drilling unit and are all leased to Clear Creek CBM, LLC. Because of the rugged terrain in the area we request that you grant approval for this exception location. If you need additional information to facilitate the approval of this exception location please contact me.

An affidavit regarding the surface use agreement with the landowners will be submitted to your office upon its completion. Bonding information will also be submitted to your office upon its completion.

Please accept this letter as Clear Creek CBM, LLC's written request for confidential treatment of all information contained in and pertaining to this permit application and any subsequent submissions, if said information is eligible for such consideration. This request is made in accordance with the State of Utah's Oil and Gas Conservation General Rules item number R649-2-11.

Thank you very much for your timely consideration of this application. Please feel free to contact me at my office (435)613-0416 if you have any questions.

Best regards.

Steven L. Prince

**Operations Manager** 

FORM 3

# STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

AMENDED REPORT (highlight changes)

	Λ	PPLICATION	ON FOR E	PERMIT TO	ווופת	/			SIGNATION AND	SERIAL NUMBER:	
	·							FEE	ALLOTTEE OR	TRIBE NAME:	
1A. TYPE OF WO	ORK: DR	HLL R	EENTER W	DEEPEN							
B. TYPE OF WE	ELL: OIL	GAS 🗹 O	THER	SIN	GLE ZONE 🗹	MULTIPLE ZON	<b>E</b> □ 7.	UNIT or CA	A AGREEMENT N	IAME:	
2. NAME OF OPE							1		ME and NUMBER		
	k CBM, LLC	——————————————————————————————————————							Steel #1		
3. ADDRESS OF 1431 N. 12		CITY Orem	27479	. UT 21F 84		HOME NUMBER: 301) 225-0600		FIELD AND Clear C	POOL, OR WILL Creek	CAT:	
4. LOCATION OF	WELL (FOOTAGES		CIAI	2.11		<del>/                                    </del>	10	QTR/QTP		VNSHIP, RANGE,	
AT SURFACE:	1400' FNL,	2394' FWL			/		ع ا	ENW		5 7E S	
AT PROPOSED	D PRODUCING ZONE	<b>:</b>									
13. DISTANCE IN	MILES AND DIREC	TION FROM NEARE	ST TOWN OR POS	TOFFICE:	1 19-1 P) F-1	171A1	11	COUNTY	:	12. STATE:	
	s South of So				INFILL	VIIAL		Carbon		UTAH	
14. DISTANCE TO	O NEAREST PROPE	RTY OR LEASE LINE	E (FEET)	15. NUMBER O	FACRES IN LEASE:		16. NUME	SER OF AC	RES ASSIGNED	TO THIS WELL:	
159'		\			/	40				40	
	O NEAREST WELL (I R) ON THIS LEASE (I		TED, OR	18. PROPOSED	оретн:	6,000	19. BONE	DESCRIP	TION:		
	S (SHOW WHETHER	DF. RT. GA. ETC.):		21. APPROXIM	ATE DATE WORK WI		22 ESTIN	ATED DU	RATION:		
8199' GR				4/1/2002	1						
23.			PROPOSE	D CASING A	ND CEMENT!	NG PROGRAM	. <del></del>				
SIZE OF HOLE	CASING SIZE, GI	RADE, AND WEIGHT	PER FOOT	SETTING DEPTH		CEMENT TYPE, QUA	ANTITY, YIE	TTY, YIELD, AND SLURRY WEIGHT			
17.5"	13.375" (	Conducto	1	46	Existing						
12.25"	9.625"	J-55	24.0	611	Existing						
6.25"	5.5"	J-55	17.0	6,000	65/35/6 Ligh	nt Cement	567	SX	1.84 cf/sk	14.4 ppg	
			$\alpha$		50/50 poz (1	1.21 cf/sk)	75	sx	1.21 cf/sk	12.7 ppg	
		\\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\	$k_1 l^{\dagger} \dot{a}$								
****		- m. J	j 7/							No. X	
		Mr. de	X								
24.				ATTA	CHMENTS			MA	on to man	2	
VEDEV THE RO						<del>\                                    </del>		NV	ISION O		
VERIFY THE FOI	LLOWING ARE ATTA	CHED IN ACCORDA	NCE WITH THE UT	AH OIL AND GAS C	ONSERVATION GEN	IERAD RULES:	OII		S AND M		
WELL PL	AT OR MAP PREPAR	RED BY LICENSED (	SURVEYOR OR EN	GINEER	COMP!	LETE DRILLING PLAN		-y	er ex waser or a	F / W   1 × M / San	
<b>EVIDENC</b>	CE OF DIVISION OF N	WATER RIGHTS API	PROVAL FOR USE	OF WATER	1_	5, IF OPERATOR IS PE	RSON OR C	OMPANY (	OTHER THAN TH	E LEASE OWNER	
, <del></del>	·		<del>/                                    </del>			<u> </u>					
NAME (PLEASE	Steven	L. Prince	/		TITLE _	Operations Ma	nager				
SIGNATURE	Steven	X. Pri	nce		DATE	3/26/2002					
(This space for D	the use only)			1000 - 11 - 12 - 12 - 12 - 12 - 12 - 12							
(This space for Sta	im non ouili)										
API NUMBER AS	SIGNED 4/3	- 007-3	30849		APPROVAL						

Range 7 East (N89°47'W - 5235.78') N89°42'37"W - 2605.95' GLO ROCK MONUMENT OCATED AND IDENTIFIED 1478.921 (S00°01'E - 2649.9') DRILL HOLE #21-3 ELEVATION 8198.91 2672.18 389.131 NORTH - 5280.0°J S00°08"W - 2636.04" (N89°50W - 5264.16') **Drill Hole Location** NOTES:

Legend



South

Township

**Brass Cap (Found)** 

Brass Cap (Searched for, but not found)

Rock Pile

GLO

**GPS Measured** 

I. UTM AND LATITUDE / LONGITUDE COORDINATES ARE DERIVED USING A GPS PATHFINDER AND ARE SHOWN IN NAD 27 DATUM.



Location:

THE WELL LOCATION WAS DETERMINED USING A TRIMBLE 4700 GPS SURVEY GRADE UNIT.

Basis of Bearing: THE BASIS OF BEARING IS GPS MEASURED.

GLO Bearing:
THE BEARINGS INDICATED ARE PER THE RECORDED PLAT OBTAINED FROM THE U.S. LAND OFFICE.

Basis of Elevation: BASIS OF ELEVATION OF 9844.0' BEING A USGS BENCHMARK IN THE SE 1/4 OF SECTION 36, TOWNSHIP IS SOUTH, RANGE 6 EAST, SALT LAKE BASE AND MERIDIAN, AS SHOWN ON THE SCOFIELD QUADRANGLE 7.5 MINUTE SERIES MAP.

Description of Location: PROPOSED DRILL HOLE LOCATED IN THE SEI/4, NWI/4 OF SECTION 21, TI3S, R7E, S.L.B.&M., BEING 1478.92' SOUTH AND 389.13' WEST FROM THE NORTH QUARTER CORNER OF SECTION 21, TI3S, R7E, SALT LAKE BASE & MERIDIAN.

Surveyor's Certificate:

I, Albert J. Spensko, a Registered Professional Land Surveyor, holding Certificate 146652 State of Utah, do hereby certify that the information on this drawing is a true and accurate survey based on data of record and was conducted under my personal direction and supervision as shown hereon.







GRAPHIC SCALE ( IN FEET )

1 inch = 1000 ft.



Talon Resources, Inc. 375 South Carbon Avenue, Sulfe 101 Price, Utah 84501 Ph: 435-637-8781 Fax: 435-636-8603

COOK PROPERTIES L.L.C.

WELL #21-3

Section 21, T13S, R7E, S.L.B.&M. Carbon County, Utah

J. STANSFIELD	Checked By: L.W.J./A.J.S.		
Drawing No.	Delei 08/30/0		
A-1	Societ  " =  000'		
Stant 1 of 4	Job No. 434		

# ON-SITE PREDRILL EVALUATION Division of Oil, Gas and Mining

OPERATOR:	Clear Creek, L	LC
WELL NAME & NUMBER:	Kaiser Steel #:	1
API NUMBER:	43-007-30 <i>0</i> <b>2</b> 4	

LEASE: Fee FIELD/UNIT: Clear Creek

LOCATION: 1/4,1/4 SENW Sec: 21 TWP: 13S RNG: 7E 1491 FNL 2284 FWL

LEGAL WELL SITING: 460 F SEC. LINE; 460 F 1/4,1/4 LINE; 920 F ANOTHER WELL.

GPS COORD (UTM): X =487,534 E; Y ,=4,391,858 N SURFACE OWNER: Jim Jacob

## **PARTICIPANTS**

M. Jones (DOGM), S. Prince (Clear Creek), J. Jacob (surface).

# REGIONAL/LOCAL SETTING & TOPOGRAPHY

This well is located in a small flat spot that was previously used for drilling purposes. A P&A well currently sits on the location as well as an old livestock handling coral. The area is a good sight for the well in that no further damage will be done to the surrounding environment. All work is currently designed to stay within the immediate area of the old disturbed pad and pit location. Access will follow the old drill road and current surface access from a county maintained gravel road. The location lies ~.8 mile east of Clear Creek.

# SURFACE USE PLAN

CURRENT SURFACE USE: Grazing and wildlife habitat.

PROPOSED SURFACE DISTURBANCE: 240' X 130' pad w/ pit included.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: Two proposed wells, one PA wells, and one shut-In well within a 1 mile radius of the above proposed location.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: Along roadways.

SOURCE OF CONSTRUCTION MATERIAL: Local material and transported in.

ANCILLARY FACILITIES: None.

## WASTE MANAGEMENT PLAN:

Portable chemical toilet for the duration of the drilling and completion process. A dumpster for disposal of solid refuse. Drill cuttings and fluids will be disposed of in pit. At the conclusion of drilling and completion the pit will be allowed to evaporate after which it will be reclaimed

## **ENVIRONMENTAL PARAMETERS**

AFFECTED FLOODPLAINS AND/OR WETLANDS: Mud Creek, which flows year round,

is located ~4120' West of proposed location.
FLORA/FAUNA: Native grasses, pine trees, quaking aspen, sagebrush, deer, elk, small game animals, and various fowl.
SOIL TYPE AND CHARACTERISTICS: Silty loamy clay.
EROSION/SEDIMENTATION/STABILITY: Stable.
PALEONTOLOGICAL POTENTIAL: None Observed.
DVF DTM

# RESERVE PIT

CHARACTERISTICS: Dugout earthen pit, as per APD.

LINER REQUIREMENTS (Site Ranking Form attached): Synthetic liner.

# SURFACE RESTORATION/RECLAMATION PLAN

As per landowners requests in surface use agreement.

SURFACE AGREEMENT: Being negotiated.

CULTURAL RESOURCES/ARCHAEOLOGY: None requested.

## OTHER OBSERVATIONS/COMMENTS

Location is proposed on an old location which is currently being used for livestock grazing and recreation. On the old pad, a livestock handling coral has been built. This coral will be destroyed by the proposed drilling activities this was discussed with the land owner to make him aware of the fact. Also the old pits are currently being used as water storage for livestock and will be used as refuse pits for proposed activities thus eliminating their use for livestock watering. Clear Creek LLC has plans to turn this well into a WD down the road. This onsite review was originally done for the Cook 21-3 well at the same location.

## ATTACHMENTS

Photos of this location were taken and placed on file.

Mark L. Jones
DOGM REPRESENTATIVE

Sept. 27, 2001 / 4:00 pm

DATE/TIME

# For Reserve and Onsite Pit Liner Requirements

Site-Specific Factors	Ranking	Site Ranking
Distance to Groundwater (feet) >200 100 to 200 75 to 100 25 to 75 <25 or recharge area	0 5 10 15 20	5
Distance to Surf. Water (feet) >1000 300 to 1000 200 to 300 100 to 200 < 100	0 2 10 15 20	0
Distance to Nearest Municipal Well (feet) >5280 1320 to 5280 500 to 1320 <500	0 5 10 20	0
Distance to Other Wells (feet) >1320 300 to 1320 <300	0 10 20	0
Native Soil Type  Low permeability  Mod. permeability  High permeability	0 10 20	10
Fluid Type Air/mist Fresh Water TDS >5000 and <10000 TDS >10000 or Oil Base Mud Fluid containing significant levels of hazardous constituents	0 5 10 15	0
Drill Cuttings Normal Rock Salt or detrimental	0 10	0
Annual Precipitation (inches) <10 10 to 20 >20	0 5 10	10
Affected Populations <10 10 to 30 30 to 50 >50	0 6 8 10	0
Presence of Nearby Utility Conduits Not Present Unknown Present	0 10 15	0

\_\_\_\_\_25\_\_ (Level \_\_\_I Sensitivity)

Sensitivity Level I = 20 or more; total containment is required. Sensitivity Level II = 15-19; lining is discretionary.

Final Score

Sensitivity Level III = below 15; no specific lining is required.

# DIVISION OF OIL, GAS AND MINING

APPLICATION FOR PERMIT TO DRILL STATEMENT OF BASIS

OPERATOR:	Clear Creek, LLC	
WELL NAME & NUMBER:	Kaiser Steel #1	
API NUMBER:	43-007-30 <i>02</i> [	
LOCATION: 1/4.1/4 SENW Se	c: 21 TWP: 13S RNG: 7E 1479 FNL 2672 FWL	

# Geology/Ground Water:

A well drilled at this location will likely spud into a poorly to moderately permeable soil developed on the Cretaceous Blackhawk Formation. Ground water is likely to be encountered in Blackhawk Formation sandstones and the Star Point, Emery, and Ferron Sandstones, all of Cretaceous age. Water quality will deteriorate in the deeper strata. The base of moderately saline ground water is likely to be above sea level and within several thousand feet of the surface. If so, quality water is likely to be encountered in permeable strata in the Mesa Verde Group and the Emery Sandstone. Application has been made for many water rights (including numerous springs) within a mile of this location. A P&A'd well (4300730021) is located on the pad, 68' east of the proposed location by operator's surveyor. The location is situated on the south bank of a canyon bottom nearly at the Broads Canyon fork. Drainage will flow into Broads Canyon, Mud Creek, Scofield Reservoir and then the Price River. The proposed surface and intermediate casing/cementing program and freshwater gel/air drilling fluid system should be sufficient protect the shallow ground water resource. A sulfur spring has been documented as existing 4 miles to the north (1 mile north of Scofield, Utah), along the same fault system as found along Mud Creek, which flows near this proposed location. It is not known if this occurrence portends a hydrogen sulfide/ sulfur dioxide hazard, but it is at least worthy of note.

Reviewer:	Christopher J. Kierst	Date: 11/27/01
-----------	-----------------------	----------------

# Surface:

Mud Creek, a year—round live water source is located ~4120' West of the above proposed location. Rehabilitation of the site, litter and waste control, preservation of drainage patterns, groundwater and other resources was discussed and agreed on. Any well utilities and gathering systems will follow the roadways. A pole corral currently exists on the proposed location and will be destroyed during the construction phase of the work. Talk was made during the on-site of a new corral being constructed in the local vicinity. (This onsite review was originally done for the Cook 21-3 well which was proposed on the same site)

Reviewer: Mark L. Jones Date: Nov. 20, 2001

# **Conditions of Approval/Application for Permit to Drill:**

- 1. Culverts sufficient to manage expected runoff, standing and surface water in crossed drainages.
- 2. Berm location and pit.
- 3. A synthetic liner with a minimum thickness of 12 mils shall be properly installed and maintained in the reserve pit.

Well name:

# 07-02 Clear Creek LLC Kaiser Steel 1

Operator:

Clear Creek CBM, LLC

String type:

Location:

Surface Already in place

Project ID: 43-007-30021

Carbon County

Design parameters:

Collapse

Mud weight:

8.330 ppg Design is based on evacuated pipe.

Minimum design factors:

Collapse:

Design factor 1.125 **Environment:** 

H2S considered?

65 °F Surface temperature: 74 °F Bottom hole temperature:

Temperature gradient:

1.40 °F/100ft

Minimum section length: 250 ft

No

**Burst:** 

Design factor

1.00

1.80 (J)

536 ft

Cement top:

Surface

Burst

Max anticipated surface

No backup mud specified.

pressure:

0 psi

Internal gradient: Calculated BHP

0.447 psi/ft 273 psi

Tension:

8 Round STC:

Neutral point:

8 Round LTC: 1.80 (J) 1.60 (J) **Buttress:** 1.50 (J)

Premium: Body yield: 1.50 (B)

Tension is based on air weight.

Re subsequent strings:

Non-directional string.

Next setting depth: 6,000 ft Next mud weight: 8.600 ppg Next setting BHP: 2,681 psi

Fracture mud wt: Fracture depth: Injection pressure 19.000 ppg 611 ft 603 psi

Run	Segment		Nominal		End	True Vert	Measured	Drift	Est.
Seq	Length (ft)	Size (in)	Weight (lbs/ft)	Grade	Finish	Depth (ft)	Depth (ft)	Diameter (in)	Cost
1	611	9.625	36.00	J <b>-</b> 55	ST&C	611	611	8.796	6759
Run	Collapse	Collapse	Collapse	Burst	Burst	Burst	Tension	Tension	Tension
Seq	Load	Strength	Design	Load	Strength	Design	Load	Strength	Design
	(psi)	(psi)	Factor	(psi)	(psi)	Factor	(Kips)	(Kips)	Factor
1	264	2020	7.64	273	3520	12.90	22	394	17.91 J

BAP = 2680 ps;

Prepared

**Dustin Doucet** 

Utah Dept. of Natural Resources

Phone: 801-538-5281 FAX: 801-359-3940

Date: July 17,2002 Salt Lake City, Utah

**ENGINEERING STIPULATIONS: NONE** 

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Collapse is based on a vertical depth of 611 ft, a mud weight of 8.33 ppg. The casing is considered to be evacuated for collapse purposes. Burst strength is not adjusted for tension.

Well name:

07-02 Clear Creek LLC Kaiser Steel 1

Operator:

Clear Creek CBM, LLC

String type:

Production

Project ID: 43-007-30021

Location:

Carbon County

**Environment:** 

Collapse

Mud weight:

Design parameters:

8.600 ppg

Design is based on evacuated pipe.

Collapse:

Design factor 1.125

Minimum design factors:

H2S considered?

No 65 °F Surface temperature: 149 °F Bottom hole temperature:

1.40 °F/100ft Temperature gradient: Minimum section length: 250 ft

Burst:

Design factor

1.00 Cement top: Surface

Burst

Max anticipated surface

pressure: Internal gradient: Calculated BHP

0 psi 0.447 psi/ft 2,680 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J) 1.80 (J) 8 Round LTC: **Buttress:** 1.60 (J) Premium: 1.50 (J)

Body yield: 1.50 (B)

Tension is based on air weight. Neutral point: 5,217 ft Non-directional string.

Run	Segment		Nominal		End	True Vert	Measured	Drift	Eşt.
Seq	Length	Size	Weight	Grade	Finish	Depth	Depth	Diameter	Cost
	(ft)	(in)	(lbs/ft)			(ft)	(ft)	(in)	()
1	6000	5.5	17.00	J-55	ST&C	6000	6000	4.767	27819
Run	Collapse	Collapse	Collapse	Burst	Burst	Burst	Tension	Tension	Tension
Seq	Load	Strength	Design	Load	Strength	Design	Load	Strength	Design
	(psi)	(psi)	Factor	(psi)	(psi)	Factor	(Kips)	(Kips)	Factor
1	2680	4910	1.83	2680	5320	1.98	102	229	2.25 J
									·

Prepared

**Dustin Doucet** 

Utah Dept. of Natural Resources

Phone: 801-538-5281 FAX: 801-359-3940

Date: July 17,2002 Salt Lake City, Utah

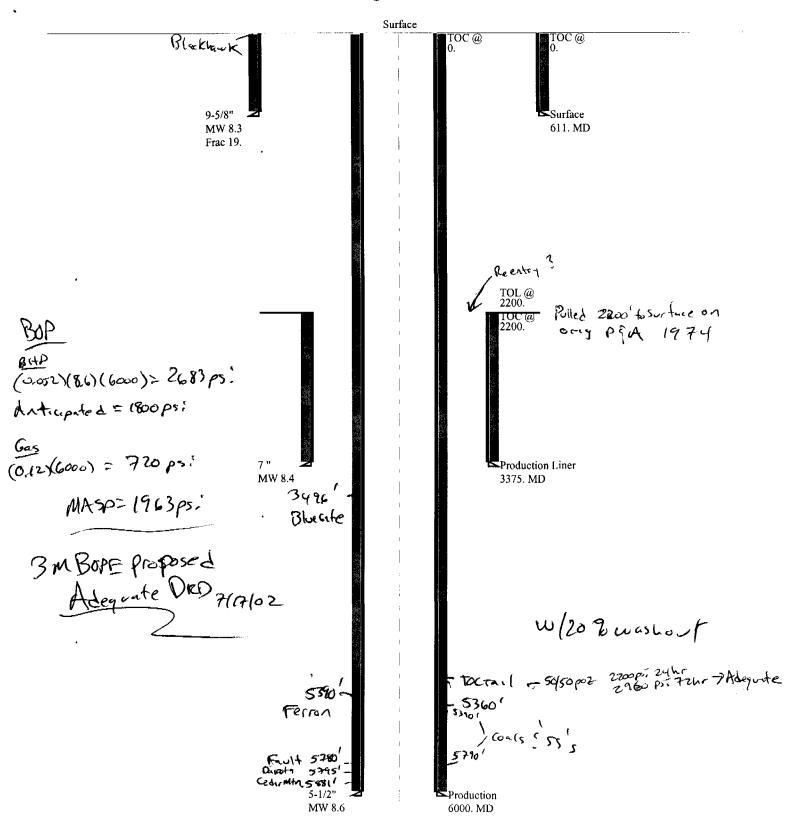
**ENGINEERING STIPULATIONS: NONE** 

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Collapse is based on a vertical depth of 6000 ft, a mud weight of 8.6 ppg. The casing is considered to be evacuated for collapse purposes. Burst strength is not adjusted for tension.

# 7-02 Clear Creek LLC Kais Steel 1

Casing Schematic



# EXHIBIT "D" - DRILLING PROGRAM

Attached to UDOGM Form 3
Clear Creek CBM, LLC
Kaiser Steel #1 (re-entry)
SE/4 NW/4, Section 21, T13S, R7E, SLB&M
1479' FNL & 2740' FWL 1491 FNL 2284 FWL
Carbon County, Utah

# 1. Geologic Surface Formation

Blackhawk

# 2. Estimated Tops of Important Geologic Markers

Blue Gate

3496'

Ferron

5390'

# 3. <u>Projected Gas & Water zones (Ferron Formation)</u>

Coals and sandstones - 5390'-5790'

Casing & cementing will be done to protect potentially productive hydrocarbons, lost circulation zones, abnormal pressure zones, and prospectively valuable mineral deposits. All indications of usable water will be reported.

# 4. Casing Program

Forty-six feet of 13-3/8" conductor and 611' of 9-5/8" surface casing are already in place in this plugged and abandoned well. The 7" intermediate casing was retrieved to 2200', and therefore, 1175' remains in the hole from 2200' to 3375'.

HOLE	SETTING DEPTH	SIZE	GRADE &	NEW/
SIZE	(INTERVAL)	(OD)	WEIGHT	USED
6-1/4"	6,000'	5-1/2"	J55, 17.0#	New

# 5. <u>Cementing Program</u>

712.7ppg

**Production Casing:** 

567 sx 65/35/6 Light Cement (1.84 cf/sk) + 0.2% Retarder + 1/4 / 1

+ 0.5% Dispersant + 0.6% Fluid Loss + 0.2% Retarder + 1/4#/sk

Flocele 2960 psi compressive strength - 72 hrs.

# 6. The Operator's Minimum Specifications for Pressure Control

A schematic diagram of the blowout preventer equipment (BOPE) is presented as Exhibit "E". A double gate 3000 psi BOPE will be used with a rotating head. This equipment will be tested to 3000 psi. All tests will be recorded in a Driller's Report Book. Physical operation of BOPE will be checked on each trip.

# 7. Type and Characteristics of the Proposed Circulating Muds

Surface-TD 6-1/4" hole. Drill with fresh water and gel mud.

# 8. Testing, Logging and Coring Programs are as follows

611'-TD Gamma Ray, Density, Neutron Porosity, Induction, Caliper

# 9. <u>Abnormal Conditions</u>

No abnormal pressures or temperatures have been noted or reported in wells drilled in the area nor at the depths anticipated in this well. Bottom hole pressure is expected to be no greater than 1800 psi. No hydrogen sulfide or other hazardous gases or fluids have been found, reported or are known to exist at these depths in the area.

# 10. Anticipated Starting Date and Duration of Operations.

If possible, the workover rig will be moved on location the week of April 1, 2002 and reentry of the well will begin as soon thereafter as practicable.

The following shall be entered in the driller's log:

- 1) Blowout preventer pressure tests, including test pressures and results;
- 2) Blowout preventer tests for proper functioning;
- 3) Blowout prevention drills conducted;
- 4) Casing run, including size, grade, weight, and depth set;
- How the pipe was cemented, including amount of cement, type, whether cement circulated, location of the cementing tools, etc.;
- 6) Waiting on cement time for each casing string; and
- 7) Casing pressure tests after cementing, including test pressures and results.

Verbal and/or written notifications listed below shall be submitted in accordance with instructions from the Division of Oil, Gas & Mining:

# Exhibit "D" - Drilling Program

- (a) Prior to beginning construction;
- (b) Prior to spudding,
- (c) Prior to running any casing or BOP tests; and
- (d) Prior to plugging the well, for verbal plugging instructions.

Spills, blowouts, fires, leaks, accidents or other unusual occurrences shall be reported to the Division of Oil, Gas & Mining immediately.

# C & B ENERGY LLC 1431 NORTH 1200 WEST OREM, UTAH 84057

April 12, 2002

State Division of Oil, Gas, and Mining 1594 W. North Temple, Suite 1594 Salt Lake City, Utah 84114-5801

Attention: Lisha Cordova

Dear Ms. Cordova,

The purpose of this letter is to inform you that C & B Energy, LLC, owns the mineral rights in all of Section 21 and all contiguous quarter sections of Section 16, Township 13 South, Range 7 East, and as the mineral owner of all, we request permission for the reentry to the Kaiser Steel #1 well on an EXCEPTION LOCATION.

If you have any questions, will you please call Steven Prince, our Petroleum Engineer. You can contact him at (435) 613-0416 or on his cell phone (435) 650-3011 or (435) 636-5002.

We appreciate your help in this matter.

Sincerely,

Glenn F. Cook, Manager

5 2002

THIVISION OF UPBLIGAS AND MINING

# Lisha Cordova - Surface Owner - Kaiser Steel #1 well reentry

From: "Steven L. Prince" <cvgpc@afnetinc.com>
To: "Lisha Cordova" <lcordova@state.ut.us>

**Date:** 04/24/2002 1:47 PM

Subject: Surface Owner - Kaiser Steel #1 well reentry

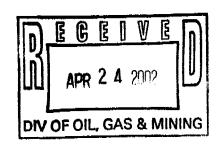
Lisha,

The surface owner for the Kaiser Steel #1 well is:

Jim Jacob (801)226-4403 127 W. 1700 S., Orem, UT

If there is any other information you need to continue processing the APD, please let me know. Thanks for all your help.

Steven Prince



# Clear Creek CBM, LLC

1431 N. 1200 W., Orem, UT 84058 • (801) 225-0600 • FAX (801) 225-0666

April 24, 2002

Ms. Lisha Cordova Utah State Division of Oil, Gas and Mining 1594 West North Temple, Suite 1210 PO Box 145801 Salt Lake City, UT 84114-5801

RE: Application for Re-entry - Kaiser Steel #1, API#43-007-30021

Dear Lisha:

Please find enclosed the following revised documents: Form 3, Application for Permit to Drill; first page of drilling plan; location map; location plat; and well pad drawings. I've been trying to fax the above documents for the past couple of days but only get a busy signal at (801)359-3940--am I using the wrong fax number? Please let me know if there is any other information or documentation you need to continue processing this application. Thanks for all your help.

Best regards,

Steven L. Prince

Operations Manager

RECEIVED

APR 26 2002

DIVISION OF OIL, GAS AND MINING

# STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

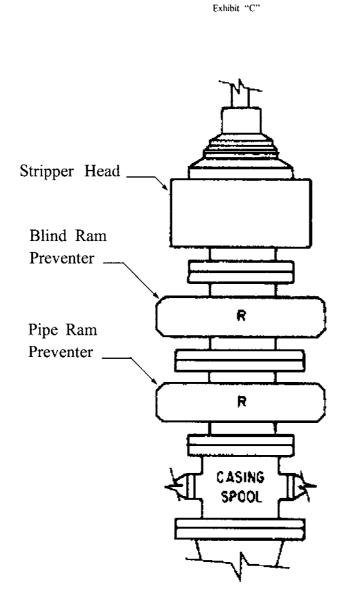
AMENDED REPORT (highlight changes)

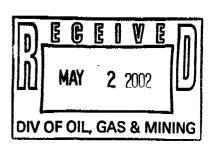
		APPLICAT	ION FOR	PERMIT TO	DRILL		5. LEASE FEE	DESIGNATION AND	SERIAL NUMBER:
1A. TYPE OF WO	DRK: E	RILL 🔲 🛛	EEMER E	DEEPEN			6. IF INDI	AN, ALLOTTEE OR	TRIBE NAME:
8. TYPE OF WE	it: OIL	GAS 🗹 C	OTHER	SING	GLE ZONE 🗹	MULTIPLE ZON	E 7. UNIT o	r CA AGREEMENT N	IAME:
2. NAME OF OPE	RATOR:						8. WELL	NAME and NUMBER	
Clear Cree	k CBM, LL	C					1	er Steel #1	
3. ADDRESS OF						HONE NUMBER:		AND POOL, OR WILI	DCAT:
1431 N. 12	• • • • • • • • • • • • • • • • • • • •	CITY Orem	STA	TF UT ZIP 840	057 (8	01) 225-0600		r Creek	
4. LOCATION OF	•	•	4371	858 V 3	9.1.7834		10. QTRA	OTR, SECTION, TOV DIAN:	VNSHIP, RANGE,
AT SURFACE:	1491' FNL	., 2284' FWL	407	858 Y 3 1554 X 1	11,14512		SENV	V 21 139	3.7E S
AT PROPOSED	PRODUCING 20	ONE:	. 1 67	22/12					
13. DISTANCE IN	MILES AND DIR	ECTION FROM NEAR	EST TOWN OR PC	OST OFFICE:			11. COU	NTY:	12. STATE:
3.44 Mile	s South of	Scofield					Carb	on	UTAH
14. DISTANCE TO	O NEAREST PRO	PERTY OR LEASE LII	NE (FEET)	15. NUMBER OF	FACRES IN LEASE:		16. NUMBER OF	ACRES ASSIGNED	TO THIS WELL:
171'				ŀ		40			40
		L (DRILLING, COMPL	ETED, OR	18. PROPOSED	DEPTH:		19. BOND DESC	RIPTION:	
68'	R) ON THIS LEAS	E (FEET)		1		6,000			
	(SHOW WHETH	ER DF, RT, GR, ETC.)	);	21. APPROXIMA	ATE DATE WORK W	LL START:	22. ESTIMATED	DURATION:	
8199' GR				4/29/200	)2		2 weeks		
23.			PROPOS	SED CASING A	ND CEMENTII	NG PROGRAM			- 10 - 10 - 10 - 10 - 10 - 10 - 10 - 10
SIZE OF HOLE	CASING SIZE	, GRADE, AND WEIGH	HT PER FOOT	SETTING DEPTH	<u> </u>	CEMENT TYPE, QUA	ANTITY, YIELD, AN	D SLURRY WEIGHT	
17.5"	13.375"	Conducto		46	Existing				
12.25"	9.625"	J-55	24.0	611	Existing	-			
6.25"	5.5"	J-55	17.0	6,000	65/35/6 Ligh	nt Cement :	567 sx	1.84 cf/sk	14.4 ppg
					50/50 poz (1	1.21 cf/sk)	75 sx	1.21 cf/sk	(¥ √ 12.7 ppg
									<del></del>
24.				ATTA	CHMENTS				
VERIFY THE FOL	LOWING ARE AT	TACHED IN ACCORD	DANCE WITH THE	UTAH OIL AND GAS C	ONSERVATION GEN	IERAL RULES:	<u></u>		
<del></del>					·				
WELL PL	AT OR MAP PRE	PARED BY LICENSEC	SURVEYOR OR E	ENGINEER	СОМЫ СОМЫ	LETE DRILLING PLAN			
EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER  FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER									
NAME (PLEASE	sewal Steve	n L. Prince		·	****	Operations Ma	nager		
INAME (FLENCE)	- XIII	7/12	÷			······································			
SIGNATURE	XIHUEL	-0	ncc		DATE	4/22/2002			
(This space for Sta	te use only)								
API NUMBER AS:	SIGNED:	13-007-3	30021	A U	pproved t Itah Dixisi Gas and	oy the on of Mining		ECEI	VED

(5/2000)

APR 2 6 2002

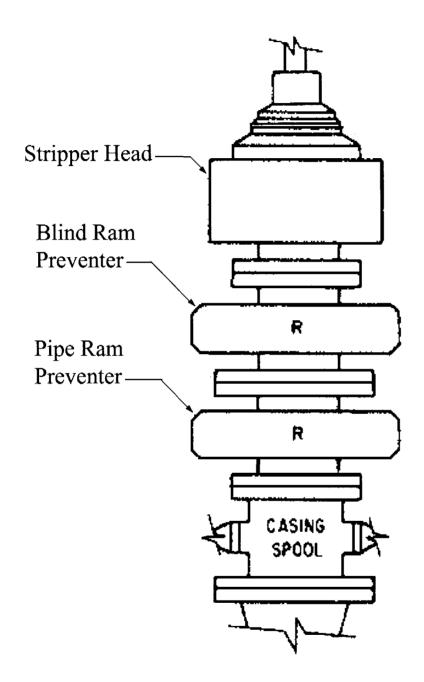
DIVISION OF OIL GAS AND MINING





5000 psi BOP Equipment

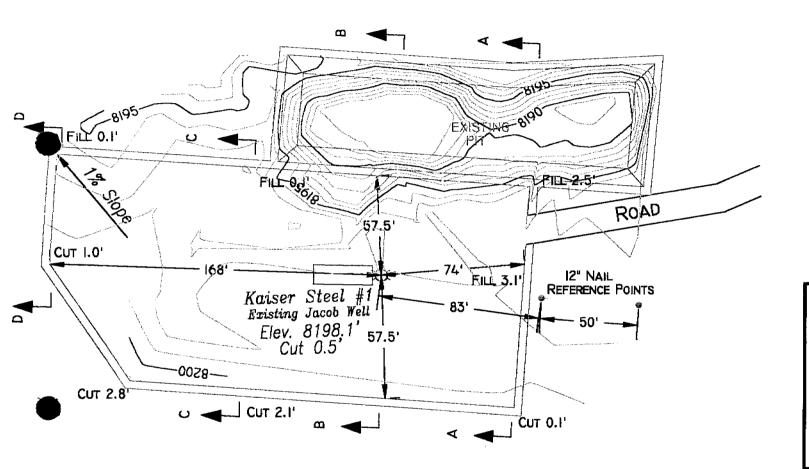
3000 Clear Creek CBM, LLC

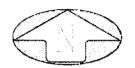


5000 psi BOP Equipment

300 Clear Creek CBM, LLC

ELEVATION OF UNGRADED GROUND AT LOCATION STAKE = 8198.1'
ELAVATION OF GRADED GROUND AT LOCATION STAKE = 8197.6'







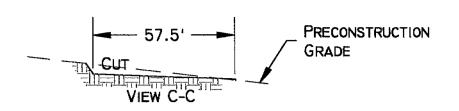
### TALON RESOURCES, INC.

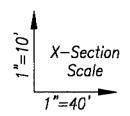
375 S. Carbon Ave., St. 101, (A-10)
Price, Utah 8450;
Phone (435)637-6781 Fax (436)636-8603
E-Mail talonocasticaet.com

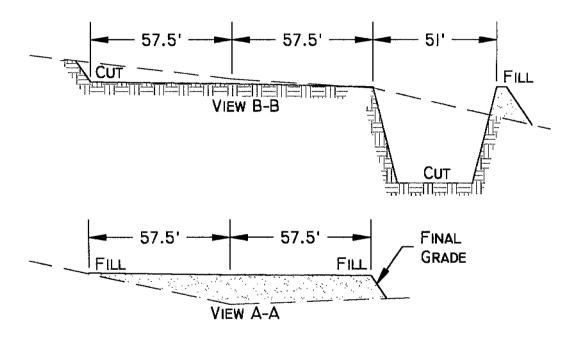
COOK PROPERTIES, L.L.C. LOCATION LAYOUT

Section 21, T13S, R7E, S.L.B.&M. Kaiser Steel #1

Drawn By: J. STANSFIELD	Checked By: L.W.J.		
Drawing No.	Date: 04/20/02		
A-2	1" = 50'		
Sheet 2 of 4	Job No. 434		







SLOPE = | |/2 : | (EXCEPT PIT) PIT SLOPE = | ; |



### TALON RESOURCES, INC.

375 S. Carton Ave., St. 101, (A-10) Price, Utah 94501 Phone (435)637-8781 Fax (435)636-8603 E-Mail talonecastienet.com

COOK PROPERTIES, L.L.C.
TYPICAL CROSS SECTION
Section 21, T13S, R7E, S.L.B.&M.
Kaiser Steel #1

Drawn By:	Checked By:
J. STANSFIELD	L.W.J.
Drawing No.	Date:
C—1	04/20/02
C-1	Scale: 1" = 40'
Sheet 3 of 4	Job No. 434

### APPROXIMATE YARDAGES

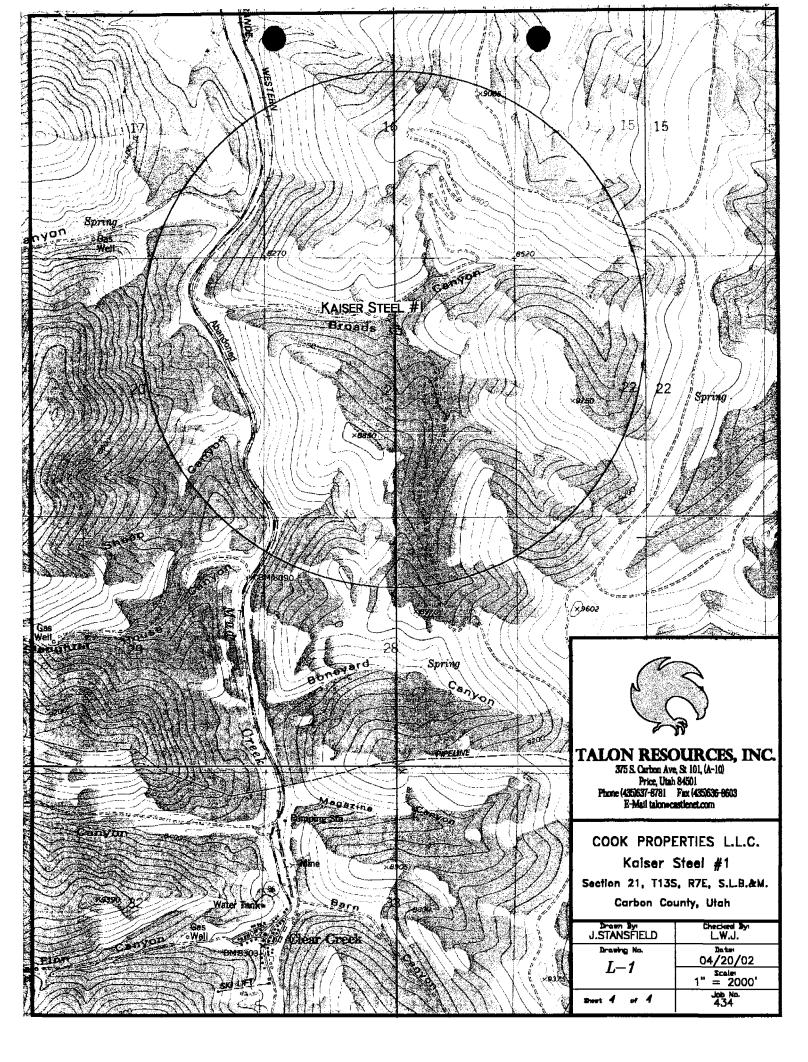
**CUT** 

(6")Topsoil Stripping = 750 Cu. Yds.

REMAINING LOCATION = 610 CU, YDS.

TOTAL CUT = 1,160 Cu. YDS.

TOTAL FILL = 650 Cu. YDS.

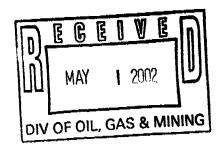


# Clear Creek CBM, LLC

1431 N. 1200 W., Orem, UT 84058 • (801) 225-0600 • FAX (801) 225-0666

April 30, 2002

Lisha Cordova
Division of Oil, Gas and Mining
Department of Natural Resources
State of Utah
1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, UT 84114-5801



RE: Application for Re-entry in exception location - Kaiser Steel #1, API#43-007-30021

#### Dear Lisha:

Regarding our conversation earlier today about our request for an exception to the general siting rule for the above referenced well, I wanted to try to clarify some apparently confusing details. C & B Energy, LLC is the only mineral owner within 460 feet of the above referenced well. Clear Creek CBM, LLC has leased all of C & B Energy's mineral holdings in the State of Utah. The letter you received from Glenn Cook of C & B Energy dated April 12, 2002 was intended to establish that C & B Energy has granted permission for re-entry of the Kaiser Steel #1 by Clear Creek CBM in an exception location.

If you have any questions, please feel free to call me at (435)613-0416. Thanks for your help,

Best regards,

Steven L. Prince
Operations Manager

# Clear Creek CBM, LLC

COOK PROPERTIES

1431 N. 1200 W., Orem, UT 84058 • (801) 225-0600 • FAX (801) 225-0666

May 30, 2002

Ms. Lisha Cordova
State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, UT 84114

VIA FACSIMILE (801)359-3940

RE: Additional information for APD - Kaiser Steel #1 Re-entry, SE/NW, Section 21, T13S, R7E, SLB&M, Carbon County, Utah

Dear Lisha:

Please find attached a copy of the surface use agreement for the above referenced well. Please contact me if you have any questions at either (435)613-0416 (office) or (435)636-5002 (mobile). Thanks for your help.

Best/ogarde

✓ Steven L. Prince

Petroleum Engineer

### SURFACE USE AGREEMENT

This Surface Use Agreement ("Agreement") is entered into this 25 day of James C. Jacob ("Surface Owners").

### RECITALS

- A. Surface Owners are the owners of the surface estate of the Property
- B. C & B Energy, LLC is the owner of the mineral estate on the property described as follows:

Township 13 South, Range 7 East; Salt Lake Base and Meridian, Section 21, NW 1/4, in the State of Utah.

- C. Clear Creek CBM, LLC, has leased the mineral rights from C & B Energy, LLC.
- D. The parties desire to provide for a reasonable agreement and accommodation between Operator and Surface Owners in order to allow for orderly development of natural and coalbed methane gas without unnecessary or unreasonable interference with the surface estate of the Property. It is the intent of this agreement to utilize the rights retained by the Owners of the mineral estate as documented in the Warranty Deed between Kaiser Steel Corporation and James G. Brown as recorded in Carbon County, Utah, on April 4, 1951. This Agreement is not intended to diminish any rights of the Surface Owners or Mineral Rights Owner.
- E. The site of the well to be drilled is more specifically described as the existing abandoned Kaiser well, which is presently located within the above-described parcel of land.

This Agreement is specifically for the well proposed to be located on the abandoned Kaiser well site. If Operator desires future well sites, Operator agrees that future negotiations will take place as to any proposed site locations and pipeline routes.

NOW, THEREFORE, for and in consideration of the mutual promises and agreements of the parties hereto, it is hereby agreed as follows:

1. Surface Owners hereby consent to operations of Operator in the exploration

and in the development and production of natural and coaled methane gas on the tract described in paragraph A above, subject to the following conditions:

- (a) It is the plan of the Operator to re-enter the existing Kaiser well in order to complete it on a new work-over basis.
- (b). The site of the proposed work-over well is the same as the abandoned Kaiser well site.
- (c) If gas is produced in marketable quantities at this site, a pipeline will be built within three months, connecting this well to the nearest Questar pipeline located near Mud Creek. The route that the said pipeline will travel will be following the existing road toward the north from this abandoned Kaiser site.
- 2. Specifically in connection with Operator's activities, Operator agrees as follows:
  - (a) The Operator agrees to conduct all operations with reasonable speed and to complete the well and restoration of the site within the summer of 2002. If gas is found to be marketable, Operator will expedite the completion of the connecting pipeline as quickly as possible in order to market the gas. Disturbed land along the pipeline will be restored and planted by the fall of 2002 or the fall of 2003. If gas is found to be unmarketable, the damaged site will be restored and planted by the fall of 2002.
  - (b) Operator shall conduct operations in a manner that prevents unnecessary impacts and minimizes other impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users.
  - claims for damage or harm to persons or property as a result of its operations. In addition, Operator shall indemnify and hold Surface Owners harmless from all claims by third parties arising out of or as a result of its operations. This obligation includes all costs of suit, including attorney's fees, incurred by Surface Owners responding to any claims. Operator further agrees to indemnify and hold Surface Owners harmless from liability, damages or costs of suit, including attorney's fees, arising out of any claims or damage done to Operator's property or operations by any third party.

- (d) Operator shall conduct operations in accordance with all applicable laws and regulations, including the requirements of Utah Admin. Code § R649-3-1.
- (e) The well site and other areas disturbed by the exploration and development of the natural gas resources will be protected from erosion and upon completion of the exploration and development, be reseeded with a grass mixture approved by the Surface Owners. Operator will plant in the fall when plants will have the best chance to survive.
- 3. In consideration for entering into the Agreement Operator hereby agrees to convey to Surface Owners a 2% royalty of gross revenue of each well on said property.
  - (a) Surface Owners will be paid their 2% royalty within 20 days after payment is received by the Operator at an address to be provided by the Surface Owners. At that time, an accounting of the basis on which the royalty is computed will be provided which will show the quantity of gas delivered and the selling price.
- 4. Operator will provide and install underground electrical power lines throughout the Clear Creek project. Surface Owners retain the right to have engineered and pay for equipment that will allow them to service their future cabin needs without being required to reimburse Operator or Utah Power and Light for any main line installation costs. All electrical and gas lines to the well site will be permanently installed underground.
- 5. Operator has been informed by Questar that government regulatory constraints precludes the Operator from providing gas from a transportation line for residential distribution.
- 6. Pursuant to requirements of Carbon County, Operator must provide a gate and cattle guard comparable in strength to the current cattle guard and gate, if so requested by Surface Owners, and Surface Owners agree Operator may widen existing gates and cattle guards to accommodate equipment where needed. In addition, Surface Owners agree to allow the Operator to dismantle the existing wooden corrals and replace them with portable metal livestock panels and posts. Operator agrees to replace said wooded corrals with 16 foot by 5-foot portable metal livestock panels and 2 7/8 steel drill pipe posts to anchor the panels. The replacement corral will be approximately the same dimensions as the current corral. The corral will be replaced within 1 year of the completion of the well or the abandonment of the site. It is anticipated that all the corral panels and posts will be on site by July 2002.

- 7. Surface owners also agree to provide operator full access and rights to the existing abandoned "Kaiser" well for the purpose of reworking said well for the exploration and production of gas and coalbed methane gas.
- 8. This Agreement shall remain in effect for as long a period as natural gas in this well is being produced. At the time that production ceases or becomes unprofitable to produce, State Regulations require the Operator to plug and abandon the well within a year from the time production terminates. If Operator fails to comply with these requirements, the State has the right to use the Operators existing bond to cover the cost of plugging and abandoning the well and Operator then forfeits the bond.

This Agreement does not in any way diminish the rights of either the Surface Estate or the Mineral Estate.

Executed this 25 day of April, 2002.

CLEAR CREEK CBM, LLC

Glenn F. Cook

SURFACE OWNERS

Mark Jac

James C. Jacob

013



Michael O. Leavitt Governor Robert L. Morgan Executive Director Lowell P. Braxton Division Director 1594 West North Temple, Suite 1210 PO Box 145801 Salt Lake City, Utah 84114-5801 (801) 538-5340 telephone (801) 359-3940 fax (801) 538-7223 TTY www.nr.utah.gov

July 22, 2002

Clear Creek CBM, LLC 1431 N 1200 W Orem, UT 84057

Re: Kaiser Steel #1 Well, 1491' FNL, 2284' FWL, SE NW, Sec. 21, T. 13 South, R. 7 East,

Carbon County, Utah

#### Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann.§ 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-007-30021.

Sincerely,

John K. Baza
Associate Director

Sil Flut

pb

**Enclosures** 

cc:

Carbon County Assessor



Operator:	·		
Well Name & Number		Kaiser Steel #1	
API Number:		43-007-30021	
Lease:		Fee	
Location: SE NW	Sec. 21	T. 13 South	R. 7 East

### **Conditions of Approval**

#### 1. General

Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

### 2. Notification Requirements

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- 24 hours prior to cementing or testing casing
- 24 hours prior to testing blowout prevention equipment
- 24 hours prior to spudding the well
- within 24 hours of any emergency changes made to the approved drilling program
- prior to commencing operations to plug and abandon the well

The following are Division of Oil, Gas and Mining contacts and their work telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at (801) 538-5338
- Carol Daniels at (801) 538-5284 (spud)

### 3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

- 4. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)
- 5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

011

### TRANSACTION REPORT

·

JUL-23-2002 TUE 09:36 AM

P. 01

FOR: OIL, GAS & MINING

801 359 3940

DATE START RECEIVER	TX TIME	PAGES TYPE	NOTE	M♯ DP
JUL-23 09:29 AM 14356130417	38"	0 SEND	COM. E-O	381
09:32 AM	4' 09"	7 SEND	OK	381

TOTAL:

4M 47S PAGES:

: 7



State of Utah DEPARTMENT OF NATURAL RESOURCE DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt Governor Kathleen Clarke Executive Director Lowell P. Braxton Division Director 1594 West North Temple, Suite 1210 PO Box 145801 Salt Lake City, Utah 84114-5801 801-538-5340 801-359-3940 (Fax) 801-538-7223 (TDD)

# UTAH DIVISION OF OIL, GAS AND MINING FACSIMILE COVER SHEET

DATE:	1/23/02
FAX #:	435 613 0417
ATTN:	Steve Prince
COMPANY:	Clear Creek
DEPARTMENT:	
NUMBER OF PAGE	S: (INCLUDING THIS ONE)
FROM:	Earlene Russell 538-5277



## DIVISION OF OIL, GAS AND MINING

### **SPUDDING INFORMATION**

Name of Company: CLEAR CREEK CBM LLC							
Well Name: KAISER STEEL 1							
Api No: 43-007-30021	Lea	se Type:	FEE				
Section 21 Township	13SRange	<u>07E</u>	County	CARBON			
Drilling Contractor	Drilling Contractor CHOICE WELL SERVICE Rig#						
SPUDDED:							
Date07	7/22/02						
Time							
How	ROTARY						
Drilling will commence:							
Reported by STEVEN PRINCE							
Telephone #	1-435-613-04	16	· · <u> </u>				
Date <u>08/15/2002</u>	Signed	<u> </u>	СНО				

From: CVGPC

Fax #: 435-613-0417

Page 2 of 2



# CONFIDENTIAL

### **STATE OF UTAH** DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

		ENTITY ACTIO	DN FORM	
Operator:	Clear Creek CBM, LLC		Operator Account Number: N 1920	
	1431 N. 1200 West			
	city Orem		<b></b>	
	state UT	zip 84057	Phone Number: (801) 225-0600	

Wall 4

API Number	Weil	Name	QQ	Sec .	Twp	Rng	County
4300730021	Kaiser Steel 1		SENW	21	138	7E	Carbon
Action Code	Gurrent Entity Number	New Entity Number	S	pud Dat	(e		tity Assignment Effective Date
AK	99999	13565	7	//22/200	2	8-1	19-02

Reentry of P&A well.

Well 2

API Number	Well	Name	CQ	Sec	Twp	Rng	Сох	inty
Action Code	Current Entity Number	New Entity Number	s	ipud Dat	9	Ent E	ity Assign :flective D	inerit ate
Comments:								

Well 3

API Number	Well	Name	QQ	Sec Twp	Rng Gounty
Action Code	Current Entity Number	New Entity Number	Sp	ud Date	Entity Assignment Effective Date
Comments:					

#### **ACTION CODES:**

- A Establish new entity for new well (single well only)
- B Add new well to existing entity (group or unit well)
- C Re-assign well from one existing entity to another existing entity
- D Re-assign well from one existing entity to a new entity
- E Other (Explain in 'comments' section)

Name (Please Print)	
Signature	
Title	Data

(5/2000)



)[[		DEPARTMENT OF NATURAL RESOUR DIVISION OF OIL, GAS AND MIN	CES NING		5. LEAS	E DESIGNATION AND SERIAL NUMBER:
	SUNDRY	6. IF IN	DIAN, ALLOTTEE OR TRIBE NAME:			
Do no	this form proposals to drill pro-	w walls significantly deepen existing wells below curr	ent bottom-hole dep	th, reenter plugged wells, or to	7. UNIT	or CA AGREEMENT NAME:
	drill horizontal late	erals. Use APPLICATION FOR PERMIT TO DRILL TO	orn for such proposa	15-		NAME and NUMBER:
	OIL WELL	GAS WELL V OTHER_			1	er Steel 1
	ME OF OPERATOR: ar Creek CBM, LLC				4300	10MBER: 0730021
3. AD	DRESS OF OPERATOR:	Orem STATE UT ZIP	84057	PHONE NUMBER: (435) 613-0416		LD AND POOL, OR WILDCAT: Or Creek
	CATION OF WELL					
FO	OTAGES AT SURFACE: 1491' F	FNL, 2284' FWL			COUNT	y: Carbon
τo	R/QTR, SECTION, TOWNSHIP, RANG	ge, meridian: SENW 21 13S 7	E S		STATE:	UTAH
11.	CHECK APPR	ROPRIATE BOXES TO INDICAT	E NATURE	OF NOTICE, REPO	ORT, O	R OTHER DATA
	TYPE OF SUBMISSION			YPE OF ACTION		
$\overline{\Box}$	NOTICE OF INTENT	ACIDIZE	DEEPEN			REPERFORATE CURRENT FORMATION
	(Submit in Duplicate)	ALTER CASING	FRACTUR			SIDETRACK TO REPAIR WELL TEMPORARILY ABANDON
	Approximate date work will start:	CASING REPAIR	Η	STRUCTION		TUBING REPAIR
		CHANGE TO PREVIOUS PLANS		R CHANGE ABANDON		VENT OR FLARE
	SUBSEQUENT REPORT	CHANGE TUBING  CHANGE WELL NAME	PLUG BAC		片	WATER DISPOSAL
	(Submit Original Form Only)	CHANGE WELL STATUS	<u> </u>	ION (START/RESUME)		WATER SHUT-OFF
	Date of work completion:	COMMINGLE PRODUCING FORMATIONS		TION OF WELL SITE		OTHER: Daily Drilliing Report
		CONVERT WELL TYPE	RECOMPL	ETE - DIFFERENT FORMATION	<u> </u>	
		OMPLETED OPERATIONS. Clearly show all part for daily report of drilling operate		cluding dates, depths, volui	nes, etc.	
W	ell is currently shut in.					
				RECE	WIE	EÐ
				CCT 0	4 ZUU	L
				DIVISI	ON O	F
				OIL, GAS A	M DN	INING

NAME (PLEASE PRINT)

SIGNATURE

**Operations Manager** 

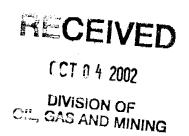
9/18/2002

# Daily Drilling Report Summary CONFIDENTIAL



### Kaiser Steel #1 Re-entry SE/NW, Section 21, T13S, R7E, SLB&M

7/22/02	MIRU; Spot pump, tank & tubing trailer; NU well nead & BOP; SDFN.
7/23/02	Tally DC: PLL DC & had wrong crossover sub' SDFN.
7/24/02	PU 6-1/8" bit & 6 3-1/8" DC; TIH; Tag plug @ 1351'; RU P/S; Pump 600 bbls fresh water; Pump 6 sx
,,_,,	ICM & 300 bbls fresh water: Pull 12 stands of pipe; SDFN.
7/25/02	RIH 12 stands to 1351'; mix mud & start pumping; Pump 3 tanks full; No returns; Pull up; SDFN.
8/5/02	TIH; No fill; RU P/S; No air pack; Pull up; SDFN.
8/6/02	TIH; RU air pack; Start drilling @ 1351'; Circulating w/ air; Drill to 1616'; Pull up in hole; SDFN.
8/7/02	TIH; Tag @ 1660'; Drill to 1958'; Change stripper head rubber; Drill to 2028'; SDFN.
8/8/02	TIH: Tag fill @ 1860': Drill on fill: Plug bit: TOOH; Shut down for new bit.
8/9/02	MU 6-1/8" bit; TIH; Tag fill @ 1860'; Drill to 2000'; Plug tubing; Trip up to check valve; Change out
	valve: Trin down & drill to 2050'. Pull up to 1860'; SDFN.
8/10/02	TIH; Hit tight spot; Work through tight spot; Tag cement @ 2080'; Drill to 2216' (136' & still in
<b>3</b> , (3, 4)	cement); TOOH; SDFN.
8/12/02	TIH; Tag fill @ 900'; Start drilling @ 925'; Drill thru; Trip in to 1250'; Tag fill; Drill out; Trip to 1320';
0,12,0-	Tag fill; Drill to 1980'; Drill to 2050'; Drop down 2 joints; Tag @ 2216'; Drill to 2370'.
8/13/02	TOH w/ bit; Bit bad; Wait on bits & mills; TIH; Mill plug; TOOH; LD mill; TIH w/ flat bottom mill;
0/15/02	Tag tight spot @ 2250'; Drill out; Run to 2300'; Wash w/ mill to 2304'; Mill 2.5 hours-no footage;
	TOOH; TIH w/ magnet; TOOH-brought out some metal shavings; TIH w/ 6-1/8" concave mill; Tag
	tight spot @ 1946'; Ream through tight spot.
8/14/02	TOOH w/ 6-1/8" flat bottom mill; TIH w/ magnet; Tag fill @ 1950'; TOOH; LD magnet; MU concave
0/14/02	mill; TIH; Tag tight spot @ 1950'; Mill out; Trip to 2100'; Tag tight spot; Mill out; Trip to 2200'; Drill
	to 2320'; TOOH; MU 6-1/8"; TIH; Drill out tight spots; Tag cement @ 2320'; Drill to 2340'.
9/15/02	Drill on cement 2340' to 2430'; TOOH; Log well; SDFN.
8/15/02	RD air package, pump, tank, & rig; LD DC & tubing on trailer; ND BOP; Stack out rig.
8/16/02	KD air package, pump, tank, & ng, LD DC & tuoing on trailer, ND DOI, stack out ng.



### STATE OF UTAH DIVISION OF OIL, GAS AND MINING OIL AND GAS PROGRAM

PHONE CONVERSATION	DOCUMENTATION FORM	
Conversation Pertains to:		□ Copy? 🗖
WELL KAISER STEEL!	□ OTHER	
Section 21 Township 138 Range 07E  API Number 43-007-30021		
Topic of Conversation:  Date of Phone Call: 9/22/2003 Time:	10:35 am	
DOGM Employee (name): CAROL DANIELS  Spoke with:		□ Initiated Call? 🗷
Name: TRIED CALLING RICHARD C BENNION  Of (company/organization): CLEAR CREEK CBM LLC	Phone: (801) 225-0600	□ Initiated Call? □

### Highlights of Conversation:

NO ANSWER. AFTER MULTIPLE RINGS, GET BUSY SIGNAL. NEED WCR, NEW WELL LOGS RUN AND ANY OTHER REPORTS ON TESTS DONE.

EARLIER THIS YEAR SEVERAL TRIES TO REACH STEVEN L PRINCE BUT COULD NOT LOCATE HIM.

### NOTICE

6

Utah Oil and Gas Conservation General Rule R649-3-21 states that,

- A well is considered completed when the well has been adequately worked to be capable of producing oil or gas or when well testing as required by the division is concluded.
- ➤ Within 30 days after the completion or plugging of a well, the following shall be filed:
  - · Form 8, Well Completion or Recompletion Report and Log
  - · A copy of electric and radioactivity logs, if run
  - · A copy of drillstem test reports,
  - A copy of formation water analyses, porosity, permeability or fluid saturation determinations
  - A copy of core analyses, and lithologic logs or sample descriptions if compiled
  - A copy of directional, deviation, and/or measurement-while-drilling survey for each horizontal well

Failure to submit reports in a timely manner will result in the issuance of a Notice of Violation by the Division of Oil, Gas and Mining, and may result in the Division pursuing enforcement action as outlined in Rule R649-10, Administrative Procedures, and Section 40-6-11 of the Utah Code.

	-	
As of the mailing of this notice, the division	on has not received the required re	eports for
Operator: Clear Creek CBM LLC	Today's Date:	10/07/2003
Well:	API Number: D	orilling Commenced
Kaiser Steel 1	4300730021	07/22/2002

To avoid compliance action, required reports should be mailed within 7 business days to:

Utah Division of Oil, Gas and Mining 1594 West North Temple, Suite 1210

P.O. Box 145801

Salt Lake City, Utah 84114-5801

If you have questions or concerns regarding this matter, please call (801) 538-5284.

cc: Well File Compliance File STATE OF UTAH

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18		DIVISION								5. L	EASE DES	IGNATION AND SE	RIAL NUMBER	₹:
WEL	L COMPLE	TION OF	RECO	MPL	ETIC	N RE	POR	T AND	LOG	6. If	INDIAN, A	ALLOTTEE OR TRIE	3E NAME	
1a. TYPE OF WELL		WELL	GAS WELL	] ;	DRY [		OTHE	R	· · · · · · · · · · · · · · · · · · ·	7. T	INIT or CA	AGREEMENT NAM	;E	
b. TYPE OF WORK		055b —	5.E <b>—</b>	_ ,	ort -							and NUMBER:	<del></del>	
NEW DE COLOR	LATS.	DEEP-	RE- ENTRY 2	] }	DIFF. RESVR.		OTHE	R				Steel #1		
2. NAME OF OPERA Clear Cree	ek CBM, LLC										PI NUMBE 430073			
3. ADDRESS OF OF 1431 N. 120		cak Orem		STATE	UT	z:= <b>840</b>	57		NUMBER: 01) 225-0600		TELD AND Clear (	POOL, OR WILDCA Creek	AT .	
4. LOCATION OF W	, ,	00415)4/								11.	QTR/QTR MERIDIAN	SECTION, TOWNS	HIP, RANGE,	
AT SURFACE:	1491' FNL, 2	284' FWL								SI	ENW	21 138	7E S	
AT TOP PRODU	CING INTERVAL REP	ORTED BELOW:								L				
AT TOTAL DEPT	<b>т</b> н:										COUNTY Carbon	1	3. STATE U	TAH
14. DATE SPUDDE		T.D. REACHED:		COMPLE		To	BANDONE	) <b>(\$2</b> 4)	READY TO PRODUC			ATIONS (DF, RKB,	RT, GL):	
7/24/2002 18. TOTAL DEPTH:		/2002	LUG BACK T.D	57 /C	<del>-4</del>	02	,		OMPLETIONS, HOW			99 GR		
io. Total Del III.	MD 2,400 TVD	13. 1	EGG BACK 1.B	TVD			20, 11-10	OLTIPLE CO	OMPLETIONS, HOW	MANT?		JG SET: TVD	,	
22. TYPE ELECTRI	C AND OTHER MECH	ANICAL LOGS R	JN (Submit cop	y of each)				23.						
None								l	L CORED?	NO	=	=	nit analysis)	
								WAS DST	RUN? NAL SURVEY?	NO NO		=	nit report) nit copy)	
24. CASING AND L	INER RECORD (Repo	ort all strings set	in well)					<u> </u>			<u>(-)</u>	,, ,,		
HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.	) TOP (	MD)	вотто	M (MD)	STAGE C	MENTER 1H	CEMENT TYPE & NO. OF SACKS		RRY IE (BBL)	CEMENT TOP **	AMOUNT P	ULLED
17.5"	13,375	Conducto	or C	)	4	6	<u> </u>						N/	<del></del>
12.25"	<b>9.625"</b> J-55	24#	0		6	11							NA	<u>.                                    </u>
<del></del>														
										ļ		<b>a</b> nd		
	.,									—			<del> </del>	
25. TUBING RECOI	<u>l</u>									<u>!</u>			<del></del>	
SIZE	DEPTH SET (MD	) PACKER S	ET (MD)	SIZE		DEPTH	SET (MD)	PACKE	R SET (MD)	SIZE	DI	EPTH SET (MD)	PACKER SE	T (MD)
None							· ·				-   -			
26. PRODUCING IN	TERVALS						7	7. PERFO	RATION RECORD					
FORMATION	NAME TO	OP (MD) BC	OTTOM (MD)	TOP (	TVD)	вотто	vi (TVD)	INTERVA	NL (Top/Bot - MD)	SIZE	NO. HOL	ES PERFOR	RATION STATL	JS
( <u>A</u> )		···	<u> </u>			<u> </u>			A			Open	Squeezed	<u>]                                    </u>
(B)												Open	Squeezed	]
(C)												Open	Squeezed	]
(D)												Open	Squeezed	
<del></del>	RE, TREATMENT, CE	MENT SQUEEZE	, ETC.											
DEPTH	INTERVAL						AMO	UNT AND T	YPE OF MATERIAL					
		<del>-</del>					<del></del>							
		<del> </del> -												
29. ENCLOSED AT	TACHMENTS:							·	<u> </u>			30 WEI	L STATUS:	
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=	RICAL/MECHANICAL		ENTLYSS:	T.O	Ξ		C REPORT	$\equiv$	DST REPORT	_ DIREC	TIONAL SI	URVEY	TA	
SUNDF	RY NOTICE FOR PLU	GGING AND CEM	ENT VERIFICA	TION	Ш'	CORE AN	ALYSIS	ليا	OTHER:					
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31, INITIAL PRO	DDUCTION		(	INT	ERVAL A (As shov	wn in item #26)		•		
DATE FIRST PR	ODUCED:	TEST DATE	· •••	HOURS TESTED	D:	TEST PRODUCTION RATES: →	OIL – BBL:	GAS - MCF:	WATER - BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRES	S. API GRAV	ITY BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS - MCF:	WATER - BBL:	INTERVAL STATUS
	·····			INT	ERVAL B (As sho	wn in item #26)	·			· <del></del>
DATE FIRST PR	ODUCED:	TEST DATE	:	HOURS TESTED	D:	TEST PRODUCTION RATES: →	OIL – BBL:	GAS MCF:	WATER - BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRES	S. API GRAV	HTY BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS MCF:	WATER - BBL:	INTERVAL STATUS
		···		INT	ERVAL C (As sho	wn in item #26)				
DATE FIRST PR	ODUCED:	TEST DATE	:	HOURS TESTED	D:	TEST PRODUCTION RATES: →	OIL – BBL.	GAS - MCF:	WATER - BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRES	S. API GRAV	/ITY BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL:	GAS – MCF:	WATER – 8BL:	INTERVAL STATUS
				TMF	ERVAL D (As sho	wn in item #26)				
DATÉ FIRST PR	ODUCED:	TEST DATE	:	HOURS TESTER	D:	TEST PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER ~ BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRES	S. API GRAV	/ITY BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES; →	OIL – BBL:	GAS - MCF:	WATER - BBL:	INTERVAL STATUS
33. SUMMARY Show all importa	OF POROUS ZON  nt zones of porosi ised, time tool ope	VES (Include A	aquifers):	intervals and all drill-sten	π tests, including de		4. FORMATION	(Log) MARKERS:		
Formation	no	Top (MD)	Bottom (MD)	Descrip	otions, Contents, etc	3.	-	Name		Top Measured Depth)
				See original dril	lling/comple	tion report				
		_								
	L REMARKS (Inc		procedure)							

records

Glenn F. Cook NAME (PLEASE F SIGNATURE

Manager

W. 24-03.

This report must be submitted within 30 days of

- · completing or plugging a new well
- · drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation
- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- · drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

\* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

\*\* ITEM 24: Cement Top – Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to:

(5/2000)

Utah Division of Oil, Gas and Mining 1594 West North Temple, Suite 1210

Phone: 801-538-5340

Box 145801

Fax: 801-359-3940

Salt Lake City, Utah 84114-5801

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### NOTICE

Utah Oil and Gas Conservation General Rule R649-3-21 states that,

- A well is considered completed when the well has been adequately worked to be capable of producing oil or gas or when well testing as required by the division is concluded.
- ➤ Within 30 days after the completion or plugging of a well, the following shall be filed:
  - · Form 8, Well Completion or Recompletion Report and Log
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  - · A copy of core analyses, and lithologic logs or sample descriptions if compiled
  - A copy of directional, deviation, and/or measurement-while-drilling survey for each horizontal well

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As of the mailing of this notice, the o	division has not received the required	reports for
Operator: Clear Creek CBM LLC	Today's Dat	e:10/07/2003
Well:	API Number:	Drilling Commenced:
Kaiser Steel 1	4300730021	07/22/2002
Reclined 11-95-03		

To avoid compliance action, required reports should be mailed within 7 business days to:

Utah Division of Oil, Gas and Mining

1594 West North Temple, Suite 1210

P.O. Box 145801

Salt Lake City, Utah 84114-5801

If you have questions or concerns regarding this matter, please call (801) 538-5284.

cc: Well File Compliance File Dent 1-13-05

TBS ROTE ST

020

# Utah Division of Oil, Gas and Mining DRILLING OPERATIONS SUSPENDED

### **NOTICE TO OPERATORS:**

In order to more accurately monitor wells where drilling operations have been suspended, the Division has changed the statuses of the following wells from Temporarily Abandoned to Operations Suspended in our databases.

These wells will no longer appear on your Monthly Oil and Gas Production Report, Form 10. Therefore, it will now be the operator's responsibility to provide a monthly status report for such wells in accordance with Rule R649-3-6.2.4, which states:

The operator shall submit a monthly status report for each drilling well on Form 9, Sundry Notices and Reports on Wells. The report should include the well depth and a description of the operations conducted on the well during the month. The report shall be submitted no later than the fifth day of the following calendar month until such time as the well is completed and the well completion report is filed.

Your assistance is appreciated. If you have questions regarding this matter, please feel free to call (801) 538-5275.

Operator	Well Name	API Number	Permit Date	Spud Date - Dry	Spud Date - Rotary	Measured Depth	Lease Type
CLEAR CREEK CBM LLC	KAISER STEEL 1	4300730021	07/22/02		07/22/02	2400	Fee



### FAX TRANSMITTAL COVER PAGE

DATE:	12-21-04	ORIGINAL TO POLLOW BY MAIL:NO
то: <u>D</u> g	ustin Doucet	
	801-357-3940	
FROM: Greg	gory N. Schmidt, Managing	General Partner
NO. OF PAC	GES (including Cover Sheet	):
	Dustin - This	letter was sent to you
The	.445,	
	CALL	
		RECEIVED
		ON OF OIL, GAS & MINING

# 3034634641

### SUMMIT OPERATING, LLC

December 21, 2004

State of Utah Dept of Natural Resources Attn: Mr. Dustin Doucet, Petroleum Engineer PO Box 145801 Salt Lake City, UT 84114-5801

Re: Request for Extended Shut-in Status for Cook 20-1 and Kaiser Steel #1 Wells, Owned and Operated by Clear Creek CBM

Dear Mr. Doucet:

Pursuant to our phone conversation today we intend to gather surface pressure and fluid level data by mid-January, in order to support our request for extended shut-in status on the referenced wells. We will present this data to you as soon as possible in order to demonstrate that the wells are in a static condition and do not pose a threat to fresh water zones.

It is our hope that you will ultimately grant us extended shut-in status so that we may evaluate the merits of working over the wells versus certain offers that the owners have recently received to either sell out their interests or further develop the property. We appreciate your assistance in these matters.

Sincerely yours,

Gregory N. Schmidt

Agent for Summit Operating, LLC

Cc: Clear Creek CBM, LLC, Attn: Rich Bennion,

RECEIVED DEC 2 1 2004

DIV. OF OIL, GAS & MINING

023

## SUMMIT OPERATING, LLC

● 43.007.30021 10135 7E 21

December 21, 2004

State of Utah
Dept of Natural Resources
Attn: Mr. Dustin Doucet, Petroleum Engineer
PO Box 145801
Salt Lake City, UT 84114-5801

DEC 2 3 2004

DIV. OF OIL, GAS & MINING

Re: Request for Extended Shut-in Status for Cook 20-1 and Kaiser Steel #1 Wells, Owned and Operated by Clear Creek CBM

Dear Mr. Doucet:

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It is our hope that you will ultimately grant us extended shut-in status so that we may evaluate the merits of working over the wells versus certain offers that the owners have recently received to either sell out their interests or further develop the property. We appreciate your assistance in these matters.

Sincerely yours,

Gregory N. Schmidt

Agent for Summit Operating, LLC

Cc: Clear Creek CBM, LLC, Attn: Rich Bennion,

### SUMMIT OPERATING, LLC

February 9, 2005

State of Utah
Dept of Natural Resources
Attn: Mr. Dustin Doucet, Petroleum Engineer
PO Box 145801
Salt Lake City, UT 84114-5801

RECEIVED

FEB 1 1 2005

DIV. OF OIL, GAS & MINING

TIBS RODES-21

Re: Request for Extended Shut-in Status for Cook 20-1 (API #43-007-30808) and Kaiser Steel #1 (API #43-007-30021) Wells, Owned and Operated by Clear Creek CBM

Dear Mr. Doucet:

Pursuant to your request we have gathered surface pressure and fluid level data to support our request for extended shut-in status on the referenced wells. The wells had the following surface pressures and fluid levels:

Cook 20-1:

Kaiser Steel 1:

Casing and tubing pressure is zero. Fluid level is at 341' from surface. Casing and tubing pressure is zero. Fluid level is at 155' from surface.

The surface.

It is our belief that the wells are in a static condition and do not pose a threat to fresh water zones.

It is our hope that you will ultimately grant us extended shut-in status so that we may evaluate the merits of working over the wells versus certain offers that the owners have recently received to either sell out their interests or further develop the property. We appreciate your assistance in these matters.

Sincerely yours,

Glegory N. Schmidt

Agent for Summit Operating, LLC

Cc: Clear Creek CBM, LLC, Attn: Rich Bennion,

021



State of Utah

Department of Natural Resources

> MICHAEL R. STYLER Executive Director

Division of Oil, Gas & Mining

MARY ANN WRIGHT Acting Division Director

JON M. HUNTSMAN, JR. Governor

> GARY R. HERBERT Lieutenant Governor

> > February 15, 2005

Mr. Gregory Schmidt Diamondback Oil Partners, LLP °/<sub>o</sub> Clear Creek CBM, LLC 5990 Kipling Parkway, Suite 201 Arvada, Colorado 80004

Re: <u>Approval for Extension of Shut-in or Temporarily Abandoned Status for Wells on Fee or State Leases</u>

Dear Mr. Schmidt:

The Division of Oil, Gas and Mining (the "Division") is in receipt of your letters dated December 21, 2004 (received by the Division on December 23, 2004), and February 9, 2005 (received by the Division on February 11, 2005), in regards to the Cook 20-1 (API # 43-007-30808) and Kaiser Steel # 1 (API # 43-007-30021) operated by Clear Creek CBM, LLC ("Clear Creek"). It is the Division's understanding Summit Operating, LLC ("Summit") will assist Clear Creek with the development of its properties and you are an agent for Summit.

Although the pressures and fluid levels provided may give a good indication that the wells don't pose a threat to any fresh water zones, the evidence does not definitively prove this. Until such time as the wells can be put into production or plugged, continual monitoring should take place in order to verify the assumed static condition of the wellbores.

Based on the submitted information and plan of action, the Division approves your request for extended SI/TA for the Cook 20-1 well (API # 43-007-30808) and the Kaiser Steel # 1 well (API # 43-007-30021) until October 1, 2005, to allow time to either plug and abandon the wells or to put the wells into production. This approval is conditioned on the operator conducting frequent monitoring and documenting of the pressures and fluid levels (e.g. monthly). Any significant change in pressure or fluid level should be reported to the Division immediately. Remedial action may be necessary.

Page 2 Mr. Gregory Schmidt February 15, 2005

The required monitoring information should be submitted to the Division upon acquiring said information. If you have any questions or need additional assistance in regards to the above matters please contact me at (801) 538-5281.

Sincerely,

Dustin Doucet Petroleum Engineer

DKD:jc

cc:

Well Files

Summit Operating, LLC Clear Creek CBM, LLC

FORM 9

# STATE OF UTAH

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL. GAS AND MINING

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SUNDRY NOTICES AND REPORTS ON WELLS	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL GAS WELL OTHER	8. WELL NAME and NUMBER: Kaiser Steel 1
2. NAME OF OPERATOR: Clear Creek CBM, LLC 3. ADDRESS OF OPERATOR:  Delone NUMBED:	9. API NUMBER: 4300730021
3. ADDRESS OF OPERATOR: P.O. Box 171055 Salt Lake City STATE UT 219 84117 (801) 261-5366	10. FIELD AND POOL, OR WILDCAT:
FOOTAGES AT SURFACE: 2400 Ft	COUNTY: Carbon
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN; T13S 7E 28 NE N	STATE: UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPO	RT, OR OTHER DATA
TYPE OF SUBMISSION  NOTICE OF INTENT (Submit in Duplicate)  Approximate date work will start:  Approximate date work will start:  CASING REPAIR  CHANGE TO PREVIOUS PLANS  OPERATOR CHANGE  CHANGE TUBING  PLUG AND ABANDON  CHANGE TUBING  PLUG BACK  CHANGE WELL NAME  PRODUCTION (START/RESUME)  COMMINGLE PRODUCING FORMATIONS  RECLAMATION OF WELL SITE  CONVERT WELL TYPE  RECOMPLETE - DIFFERENT FORMATION  12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volume  NO ACTIVITY ON THIS WELL FOR SEVERAL YEARS.	REPERFORATE CURRENT FORMATION SIDETRACK TO REPAIR WELL TEMPORARILY ABANDON TUBING REPAIR VENT OR FLARE WATER DISPOSAL WATER SHUT-OFF OTHER: Monthly Status Report
	RECENTED FEB 2 3 2005 DIV. OF OIL, GAS & MILLING
NAME (PLEASE PRINT) Marjean Lyon TITLE Secretary	
SIGNATURE Maryean Lyon DATE 2/22/2005	

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STATE OF UTAH

DEPARTMENT OF NATURAL RESOURCES  1 2 5 DIVISION OF OIL, GAS AND MINING  5. LEASE DESIGNATION AND SERIAL NUMBER:			
5. LEASE DESIGNATION AND SERIAL NUMBER			
SUNDR	Y NOTICES AND REPORT	S ON WELLS	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
Do not use this form for proposals to drill drill horizontal t	new wells, significantly deepen existing wells below or aterals. Use APPLICATION FOR PERMIT TO DRILL	urrent bottom-hole depth, reenter plugged wells, or to . form for such proposals.	7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL	GAS WELL 🗹 OTHER		8. WELL NAME and NUMBER: Kaiser Steel 1
2. NAME OF OPERATOR: Clear Creek CBM, LLC			9. API NUMBER: 4300730021
3. ADDRESS OF OPERATOR: P.O. Box 171055	Salt Lake City SHAIL UT 2	84117 PHONE NUMBER: (801) 261-5366	10. FIELD AND POOL, OR WILDCAT:
4. LOCATION OF WELL  FOOTAGES AT SURFACE: 2400  QTR/QTR, SECTION, TOWNSHIP, RAN	1	SENW NE N	COUNTY: Carbon STATE: UTAH
11. CHECK APP	ROPRIATE BOXES TO INDICA	TE NATURE OF NOTICE, REPO	ORT, OR OTHER DATA
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SUBSEQUENT REPORT (Submit Original Form Only)	CHANGE WELL NAME	PLUG BACK	WATER DISPOSAL
Date of work completion;	CHANGE WELL STATUS	PRODUCTION (START/RESUME)	WATER SHUT-OFF
	COMMINGLE PRODUCING FORMATIONS		OTHER: Monthly Status
	CONVERT WELL TYPE	RECOMPLETE - DIFFERENT FORMATION	Report
	OMPLETED OPERATIONS. Clearly show all VELL FOR SEVERAL YEARS.	pertinent details including dates, depths, volun	nes, etc.

NAME (PLEASE PRINT) Marjean Lyon	<sub>титце</sub> Secretary
SIGNATURE Mayean Lyon	DATE March 16, 2005
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MAR 11 2005

STATE OF UTAH FORM 9 DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING E. LEASE DESIGNATION AND BETTAL NUMBER: Fee B. IF INDIANA OF THE COURSE MAN **SUNDRY NOTICES AND REPORTS ON WELLS** . UNIT OF CAYAGRAM MENT NAME operate to drill new wells, significantly despen aduling wells below current bottom-hai drill horizontal laterals. Lies APPLICATION POR PERSIST TO DRILL form for much pr 1. TYPE OF WALL WELL HAVE and NUMBER GAS WELL [2] OIL WELL Kaiser Steel 1 2. NAME OF OPERATOR: APT NUMBER Clear Creek CBM, LLC 4300730021 3. ADDRESS OF OPERATOR: 6. FIELD AND POOL, OR WILDOAT POBox 2 UT (801) 787-1212 Wildcat 84513 4. LOCATION OF WELL POOTAGES AT SURPACE COLUMN: Carried and an address of the carried and address of the c GTRICTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SELVIN 21 138 78 STATE: UTAH CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA 11. TYPE OF SUBMISSION TYPE OF ACTION ACIDIZE REPERFORATE CURRENT PORMATION Ø NOTICE OF INTENT (Submit in Duplicate) ALTER CASING FRACTURE TREAT SIDETRACK TO REPAIR WELL to date work will elect CASING REPAIR **NEW CONSTRUCTION** TEMPORÁRILY ABANDON CHANGE TO PREVIOUS FLAME **OPERATOR CHANGE** TUBING REPAIR **CHANGE TUBING** PLUG AND ABANDON VENT OR FLARE SUBSEQUENT REPORT (Submit Original Form Only) CHANGE WELL NAME PLUG BACK WATER DISPOSAL CHANGE WELL STATUS PRODUCTION (START/RESIDUE) WATER SHUT-OFF COMMINGLE PRODUCING PORMATIONS

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all portinent details including dates, depths, volumes, etc.

CONVERT WELL TYPE

Clear Creek CBM is in the process of evaluating the potential of re-entering this well to a suitable depth that would allow a whipstock off away from past problem zone. As evaluation progresses we will update.

RECLAMATION OF WELL SITE

RECOMPLETE - DIFFERENT FORMATION

NAME (PLEASE PRINT) Steven H. Auk		Managing Member
BIGHATURE SEH BUT	DATE	10/30/2006

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(8/2000)

(Bee instructions on Reverse Side)

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### Utah Division of Oil, Gas and Mining

#### DRILLING OPERATIONS SUSPENDED

#### **NOTICE TO OPERATORS:**

Operator's responsibility is to provide a monthly status report for each well in"Drilling Operations Suspended" status in accordance with Rule R649-3-6.2.4, which states:

The operator shall submit a monthly status report for each drilling well on Form 9, Sundry Notices and Reports on Wells. The report should include the well depth and a description of the operations conducted on the well during the month. The report shall be submitted no later than the fifth day of the following calendar month until such time as the well is completed and the well completion report is filed.

Failure to submit reports in a timely manner will result in the issuance of a Notice of Violation by the Division of Oil, Gas and Mining and may result in the Division pursuing enforcement action as outlined in Rule R649-10. Administrative Procedures and Section 40-6-11 of the Utah Code.

As of this mailing of this notice, the division has not received the required reports for:

Operator: CLEAR CREEK	CBM LLC	Today's Date: 01/09/2008		
Well	API Number	Last Report Received		
Kaiser Steel 1 T13S R07E SEC 21	4300730021	03/17/2005		
Cook 17-2 T13S R07E SEC 17	4300730809	01/20/2006		

To avoid compliance action, required reports should be mailed within 7 busines days to:

Utah Division of Oil, Gas and Mining 1594 West North Temple, Suite 1210 P O Box 145801 Salt Lake City, Utah 84114-5801

If you have questions or concerns regarding this matter, please call (801) 538-5284.

cc Well File Compliance File

STATE	OF	UT	AH

17   11		STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING	5. LEASE DESIGNATION AND SERIAL NUMBER: Fee
	SUNDRY	NOTICES AND REPORTS ON WELLS	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
Dο	not use this form for proposals to drill no	w wells, significantly deepen existing wells below current bottom-hole depits, reenter plugged wells, or to crais. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	7. UNIT OF CA AGREEMENT NAME:
1. T	YPE OF WELL OIL WELL		8. WELL NAME and NUMBER: Kaiser Steel 1
	ame of operator: lear Creek CBM, LLC		9. API NUMBER: 4300730021
	DDRESS OF OPERATOR: O Box 536	Ferron STATE UT 1284523 PHONE NUMBER: (435) 384-2858	10. FIELD AND POOL, OR WILDCAT: Wildcat
	OCATION OF WELL OOTAGES AT SURFACE:		соинту: Carbon
a	ITRIQITA, SECTION, TOWNSHIP, RAN	SE, MERIDIAN: SENW 21 13S 7E	STATE: UTAH
11.	CHECK APPR	OPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPO	RT, OR OTHER DATA
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		CHANGE TO PREVIOUS PLANS OPERATOR CHANGE	TUBING REPAIR
		CHANGE TUBING FLUG AND ABANDON	VENT OR FLARE
<b>7</b>	SUBSEQUENT REPORT	CHANGE WELL NAME PLUG BACK	WATER DISPOSAL
	(Submit Original Form Only)	CHANGE WELL STATUS PRODUCTION (START/RESUME)	WATER SHUT-OFF
	Date of work completion:	COMMINGLE PRODUCING FORMATIONS RECLAMATION OF WELL SITE	OTHER: OPS Report
		CONVERT WELL TYPE RECOMPLETE - DIFFERENT FORMATION	-
12.	DESCRIBE PROPOSED OR CO	MPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volum	es, etc.

The Operator is presently seeking a contractor to P & A this well. This should be completed during the summer season of 2008

Nothing has been done on this well since the last sundry notice we submitted 10/30/2006.

We will keep current on our monthly well reports.

NAME (PLEASE PRINT) Steven H. Ault	TITLE	Managing Member
SIGNATURE Stay A Colt	DATE	3/10/2008

(This space for State use only)

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#### State of Iltah DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA Division Director

July 28, 2008

CERTIFIED MAIL NO.: 7004 2510 0004 1824 5780

Mr. Steve Ault Clear Creek CBM, LLC P.O. Box 536 Ferron, UT 84523

43 007 30021 Kaiser Steel 1

Re:

Second Notice of Extended Shut-in and Temporarily Abandoned Well Requirements for

Wells on Fee or State Leases

Dear Mr. Ault:

As of July 2008, Clear Creek CBM LLC ("Clear Creek") has three (3) Fee Lease Wells (see attachment A) that are in non-compliance with the requirements for extended shut-in or temporarily abandoned (SI/TA) status. Wells SI/TA beyond twelve (12) consecutive months require the filing of a Sundry Notice in accordance with R649-3-36-1 for Utah Division of Oil, Gas & Mining ("DOGM" or "Division") approval. Wells with five (5) years non-activity or nonproductivity shall be plugged, unless the Division grants approval for extended shut-in time upon a showing of good cause by the operator (R649-3-36-1.3.3).

In February 2005 the Division notified Clear Creek by certified mail that it had been approved for extended SI/TA for the Cook 20-1 well (API # 43-007-30808) and the Kaiser Steel #1 well (API # 43-007-30021) until October 1, 2005, to allow time to either plug and abandon the wells or to put the wells into production. The Division also gave extended SI/TA approval for the Cook 17-2 well through July 1, 2007 to allow for Clear Creek to complete and put this well on line. The Division feels more than sufficient time has passed since your company was notified of these matters and we have not seen any resolutions. Please submit your plans to produce or plug these wells to DOGM within 30 days of this notice or further actions will be initiated.



Page 2 July 28, 2008 Mr. Ault

For extended SI/TA consideration the operator shall provide the Division with the following:

- 1. Reasons for SI/TA of the well (R649-3-36-1.1).
- 2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and
- 3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence or absence of Underground Sources of Drinking Water and other factors do not make the well a risk to public health and safety or the environment (R649-3-36-1.3).

Submitting the information suggested below may help show well integrity and may help qualify your well for extended SI/TA. Note: As of July 1, 2003, wells in violation of the SI/TA rule R649-3-36 may be subject to full cost bonding (R649-3-1-4.2, 4.3).

- 1. Wellbore diagram, and Copy of recent casing pressure test, and
- 2. Current pressures on the wellbore (tubing pressure, casing pressure, and casing/casing annuli pressure) showing wellbore has integrity, and
- 3. Fluid level in the wellbore, and
- 4. An explanation of how the submitted information proves integrity.

If the required information is not received within 30 days of the date of this notice, further actions will be initiated. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,

Dustin K. Doucet Petroleum Engineer

JP/js

cc: Operator Compliance File

Well File

# ATTACHMENT A

	Well Name	Location	API	Lease Type	Years Inactive
1	Kaiser Steel #1	SENW Sec 21-T13S-R7E	43-007-30021	Fee	6 years 0 months
2	Cook 20-1	NENE Sec 20-T13S-R7E	43-007-30808	Fee	2 years 9 months
3	Cook 17-2	NESE Sec 17-T13S-R7E	43-007-30809	Fee	2 years 8 months

p.1

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES

FORM 9

	DIVISION OF OIL, GAS AND I	MINING		5. LEASE DESIGNATION AND SERIAL NUMBER
SUNDI	RY NOTICES AND REPORT	TO 01111-		Fee
				6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
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OIL WEI		-		8. WELL NAME and NUMBER:
2. NAME OF OPERATOR:				Kaiser Steel 1  9. API NUMBER:
Clear Creek CBM, LLC 3. ADDRESS OF OPERATOR:				4300730021
P.O. Box 536	Ferron STATE UT	<sub>P</sub> 84523	PHONE NUMBER: (435) 384-2858	10. FIELD AND POOL OR WILDCAT:
4. LOCATION OF WELL	STAIR	p 0.020	(400) 304-2036	Wildcat
FOOTAGES AT SURFACE:  QTR/QTR, SECTION, TOWNSHIP, R.	M/07 117 117 117 117 117 117 117 117 117 1			county: Carbon
The state of the s	ANGE, MERDIAN: SENW 21 13S	7E		STATE:
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	COMMINGLE PRODUCING FORMATIONS	RECLAMATIO	N OF WELL SITE	OTHER:
	CONVERT WELL TYPE  OMPLETED OPERATIONS. Clearly show all purposes.	RECOMPLETE	- DIFFERENT FORMATION	
				COPY SENT TO OPERATOR  Date: 9,23,2008  Initials: WS
ME (PLEASE PRINT) Steven H.	Ault	TITLE	Project Manager	
GNATURE H	Cult	DATE _	9/16/2008	
space for State use only)		OTATE		
301-359-3940	APPROVED BY THE	NICE		
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# State of Utah DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

# CONDITIONS OF APPROVAL TO PLUG AND ABANDON WELL

Well Name and Number:

Kaiser Steel #1

API Number:

43-007-30021

Operator:

Clear Creek CBM, LLC

Reference Document:

Original Sundry Notice dated September 16, 2008,

received by DOGM on September 16, 2008.

#### Approval Conditions:

- 1. Notify the Division at least 24 hours prior to conducting abandonment operations. Please call Mark Jones at 435-820-8504.
- 2. Plugs # 1 & 2 shall be 100' minimum (± 40sx each) in length and they shall be tagged to ensure they are at the approved depths.
- 3. Surface reclamation shall be done in accordance with R649-3-34 Well Site Restoration. Evidence of compliance with this rule should be supplied to the Division upon completion of reclamation.
- 4. All annuli shall be cemented from a minimum depth of 100' to the surface.
- 5. All requirements in the Oil and Gas Conservation General Rule R649-3-24 shall apply.
- 6. If there are any changes to the plugging procedure or the wellbore configuration, notify Dustin Doucet at 801-538-5281 (ofc) or 801-733-0983 (home) prior to continuing with the procedure.
- 7. All other requirements for notice and reporting in the Oil and Gas Conservation General Rules shall apply.

Dustin K. Doucet Petroleum Engineer September 16, 2008

Date



9/16/2008	Well	bore Dia	gram				r263
API Well No: 43-007-30021-00-	-00 Permit No:		Well Nam	ıe/No: KAI	SER STEEL	1	
Company Name: CLEAR CRE	EK CBM LLC						
<b>Location:</b> Sec: 21 T: 13S R: 7E	Spot: SENW	String Info	ormation				
<b>Coordinates:</b> X: 487554 Y: 439	1858	Stuina	Bottom	Diameter	-		(a,oacit
Field Name: UNDESIGNATED	)	String HOL1	(ft sub) 46	(inches) 17.5	(lb/ft)	(ft)	(1/4)
County Name: CARBON	,	COND	46	13.325			
	Dr. # 3_	HOL2	611	12.25			
	100/ (2304) (115) 70	SURF	611	9.625	36		2304
conductor: 13.325 in. (	@ 46 ft	HOL3	5915	8.75			
Hole: 17.5 in. @ 46 ft.	Loo mey	PROD	3370	7	26		
Cement from 611 ft. to so	ř	834" h	ole (68)	<del>(</del>		>	1-9792
Surface: 9.625 in. @ 611		,				-	
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E 1107 5400							
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1101c. 5.73 III. (@ 3913 II.							
	nn m						
<b>TD:</b> 5915 <b>TVD:</b>	PBTD:						

**UTAH DEPARTMENT OF NATURAL RESOURCES** 

Division of Oil, Gas & Mining

Oil and Gas Program

1594 West North Temple, Suite 1210, Box 145801

Salt Lake City, Utah 84114-5801

(801) 538-5340 Phone

(801) 359-3940 Fax

# NOTICE OF VIOLATION STATE OF UTAH OIL AND GAS CONSERVATION ACT

\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*

To the following operator:					
Name: Clear Creek CBM LLC					
Well(s) or Site(s): 1.) KAISER	STEEL 1 135	7E	21	API #:	43-007-30021
Date and Time of Inspection/Vi	olation: <u>July 13, 2</u>	2009			
Mailing Address: Attn: Steve	\ult				
P.O. BOX 53	6				
Ferron, UT 8	<u>4523</u>				

Under the authority of the Utah Oil and Gas Conservation Act, Section 40-6 et. Seq., Utah Code Annotated, 1953, as amended, the undersigned authorized representative of the Division of Oil, Gas and Mining (Division) has conducted an inspection of the above described site and/or records on the above date and has found alleged violation(s) of the act, rules or permit conditions as described below.

#### Description of Violation(s):

Rule R649-3-36, Shut-in and Temporarily Abandoned Wells – According to Rule R649-3-36, the operator is required to supply the Division with reasons for extended SI/TA, the length of time for extended SI/TA and proof of well bore integrity for every well SI/TA over 12 consecutive months. After 5 years of continued SI/TA, the wells are to be plugged unless good cause is supplied to the Division for extended SI/TA in addition to the required information just mentioned.

The Division has initiated several contacts with Clear Creek CBM, LLC (Clear Creek) requesting required information. The Kaiser Steel 1 well had an approval for Shut-in status sent by mail on February 15, 2005. This extension of SI/TA status was issued valid until October 1, 2005 to allow time to either plug and abandon the well or place it back into production. Having heard no response or seen any work to move this well into compliance, a second notice was sent via certified mail on July 28, 2008. In response to the Divisions letter, Clear Creek sent a notice of intent to plug on September 16, 2008, on that same day the Division in return sent conditions of approval to plug. To date the Division has not seen any action to PA this well as requested by Clear Creek.

Action: For the wells subject to this notice, Clear Creek shall either submit the information required by R649-3-36, plug and abandon or place the well on production.

Clear Creek CBM, LLC July 13, 2009 Notice of Violation

This notice shall remain in effect until it is modified, terminated, or vacated by a written notice of an authorized representative of the director of the Division of Oil, Gas and Mining. Failure to comply with this notice will result in the Division pursuing further actions against said operator. Further actions may include initiation of agency actions to order full cost bonding and plugging and abandonment of wells and requests for bond forfeiture and civil penalties.

Compliance Deadline: Aust 15, 2009

Date of Service Mailing: July 14, 2009

CERTIFIED MAIL NO: 7004 1160 0003 0190 3249

Division's Representative

Operator or Representative

(If presented in person)

6/2005

cc: Well file

Operator Compliance file

p.2

	STATE OF UTAH				FORM 9
	DEPARTMENT OF NATURAL REDIVISION OF OIL, GAS AN	D MINING		5. LEASE DESIGNATION AND SERIAL NUM Fee	
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1. TYPE OF WELL OIL WELL	Keras, Use APPLICATION FOR FERMIN	IER	318.	8. WELL NAME and NUMBER: Kaiser Steel 1	
2. NAME OF OPERATOR:				9. API NUMBER: 4300730021	<u>, , w</u>
Clear Creek CBM, LLC		0.4500	PHONE NUMBER: (435) 384-2858	10. FIELD AND POOL, OR WILDCAT: Wildcat	
PO Box 536 PG:	Ferron UT	84523	(435) 364-2636		,. <u>.</u> ,
FOOTAGES AT SURFACE:			4	county: Carbon	
QTR/QTR, SECTION, TOWNSHIP, RAN	ige meridian: <b>SENW</b> 21 13	3S 7E	1	STATE: UTAH	
11. CHECK APP	ROPRIATE BOXES TO IND	ICATE NATURE	OF NOTICE, REP	ORT, OR OTHER DATA	<del></del>
TYPE OF SUBMISSION		T DEEPEN	YPE OF ACTION	REPERFORATE CURRENT FORM	MATION
NOTICE OF INTENT (Submit in Duplicate)	ACIDIZE  ALTER CASING	FRACTURE	E TREAT	SIDETRACK TO REPAIR WELL	
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	CHANGE TUBING	PLUG AND	) ABANDON	WATER DISPOSAL	
SUBSEQUENT REPORT (Submit Original Form Only)	CHANGE WELL NAME CHANGE WELL STATUS		TON (START/RESUME)	WATER SHUT OFF	
Date of work completion:	COMMINGLE PRODUCING FORMA		TION OF WELL SITE	OTHER:	
	CONVERT WELL TYPE	RECOMPL	ETE - DIFFERENT FORMATIO	NC	
12. DESCRIBE PROPOSED OR C	COMPLETED OPERATIONS. Clearly stated according to approved proved	now all pertinent details in rocedures, Work \	ncluding dates, depths, voi will be completed b	<sub>umes, etc.</sub> y September 26, 2009.	
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i				Date: 01112001	
Barrier Agency				Initials: 25	
NAME (PLEASE PRINT) Steven I	l. Ault	т	me Project Manag	<b>jer</b>	
SIGNATURE	H Cult	D.	8/27/2009		· · · · · · · · · · · · · · · · · · ·
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DIV. OF OIL, GAS & MINING

MAY-19-2010 03:09 FROM: 10: Dustin Doucet (2 pages)

STATE OF UTAH

FORM 9

challe are	DEPARTMENT OF NA DIVISION OF OIL,				6. LEASE DESIGNATION AND SERIAL NUMBER:
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Do not use this form for proposals to drill horize	a cinii new welle, significantly despen s ontal laterals. Use APPLICATION FOR	dating wells below cur R PERMIT TO DRILL I	rent bottom-hôle deg som for each monou	m, reemar plugged walls, or to	7. UNIT OF CA AGREEMENT NAME:
1 TYPE OF WELL	ELL 🔲 GAS WELL 🖟	<del> </del>			8. WELL NAME and NUMBER:
2. NAME OF OPERATOR:					Kaiser Steel 1
Clear Creek CBM, LLC					4300730021
3. ADDRESS OF OPERATOR: PO Box 536	CITY Ferron	STATE UT ZIP.	84523	PHONE NUMBER: (435) 384-2858	10. FIELD AND POOL, OR WILDCAT: WILDCAT
4. LOCATION OF WELL FOOTAGES AT SURFACE;	191 FNL 2284			The second second	COUNTY: Carbon
GTRIQTR, SECTION, TOWNSHIP	, range, meridian: SENW	21 13\$ 7	E		STATE: HATU
11 CHECK A	PPROPRIATE BOXES	TO INDICAT	E NATURE	OF NOTICE, REPO	ORT, OR OTHER DATA
TYPE OF SUBMISSION			Υ	YPE OF ACTION	
■ NOTICE OF INTENT	ACIDIZE		DEEPEN		REPERFORATE CURRENT FORMATION
(Submit in Duplicate)	ALTER CABING		FRACTURE		SIDETRACK TO REPAIR WELL
Approximate date work will ster			=	TRUCTION	TEMPORARILY ABANDON
	CHANGE TO PREVIOU	JS PLANS	OPERATOR		TUBING REPAIR
SUBSEQUENT REPORT	CHANGE WELL NAME		PLUG AND		☐ VENT OR FLARE ☐ WATER DISPOSAL
(Submit Original Form Only)	CHANCE WELL STATE		=	` ON (START/RESUME)'	WATER SHUT-OFF
Date of work completion:	COMMINGLE PRODUC		=/	ION OF WELL SITE	OTHER:
11/4/09	CONVERT WELL TYPI		market .	TE - DIFFERENT FORMATION	
P & A of this well was	R COMPLETED OPERATIONS.  COMPleted and approve	ed by Division	Personnel o		ording to pre-approved procedures.
Clean up and seeding Some subsequent see It will be accomplished	cks of cement were required to the well location was adding may be required to as needed.  The with surface owner for the surface of the surface of the surface owner for the su	performed the safe	e following vistaction of s		
					COPY SENT TO OPERATOR
					1 Japlania
					Date: <u>(4/27/2010</u>
					Initials: KS
Clause					
THE (FLENDE PRINT)	1 H Ault		TITL	Project Manager	
SIGNATURE	1 but t		DAT	5/18/2010	·
This space for State use only)	APPHOVED	BY THE	STATE		February States School Land States Comment
	OF UTAH	DIVISIO	4 OF		
	01, 645,	AND MIII	ing -		MAY 1 8 2010
5/2000)		See Instru	ctions on Reverse S	ide)	DIV. OF OIL, GAS & MINING

801-359-3940 X Need FORMS, WCR IMMEDIATELY

To: Dustin Doucet

(3 pages 22/10 11:5	0 am	DIVIS	RTMENT ( SION OF (	OF NAT OIL, G	SAS A	RESOUI ND MI	NING					(highli 5. LEAS Fe	ght ch E DESIG B	REPORT anges)	D SERI	FORI	
WELL	COMPLI	TION	OR RE	ECO	MPLE	MOITE	RE	PORT	AND	LOG				GREEMENT			
1a. TYPE OF WELL:		OIL [		s 🗆		RY 🗸		OTHER		<del></del>							
b. TYPE OF WORK:													and NUMBE Steel 1	R:			
WELL D	ORIZ.	EN DEEP-	EN EN	TRY	Ř	ESVR.	<u>.                                    </u>	OTHER	1 47			9. API	NUMBER	<b>:</b> :			
2. NAME OF OPERAT	or: k CBM, LL(	_							PHONE N	unapera.				0021	ILDCAT		<u>,</u>
3. ADDRESS OF OPE PO Box 536	RATOR:	F	erron			UT	845	23		384-28	58	W	'ildca	t			
4. LOCATION OF WE AT SURFACE: AT TOP PRODUCE	1491 F	NLE	1284	Fυ	1L							SEI	<b>1</b> W		3S 7	E STATE	
AT TOTAL DEPTH												12. CC	ILPOU			U	ЛАН
14. DATE SPUDDED:	: 15. DA	πΕ T.O. RE	EACHED:	11/5	/2009		A	BANDONED		READY TO PRI		니	1. DEP	ATIONS (DE	, RKB, I	रT, GL):	
18. TOTAL DEPTH:	MD TVD		19. PLUGE	54CR 1.0	מעד								PLI	JG SET:	TVD		
22. TYPE ELECTRIC		CHANICAL	LOGS RUN (S	npust cot	y of each)				Z3. WAS WELL WAS DST I DIRECTION			] ОИ ] ОИ ] СИ	<u> </u>	res     res     res	(Subm	nit analysis) nit report) nit copy)	
24. CASING AND LI	NER RECORD (R	eport all st	rings set in we	ill)				STAGE CE	MENTED	CEMENT TY	PER	SLUR	RY	CEMENT	TOO **	AMOUNT	PULLED
HOLE SIZE	SIZE/GRADE	WEI	GHT (#/RL)	тор	(MD)	BOTTO	w (MD)	DEF		NO. OF SAC		VOLUME	(BBL)	CEMEN		ļ	
											}					<del>                                     </del>	
						<u> </u>	<del></del>								<u></u>	<del>                                     </del>	***************************************
						<b></b>						***					
				-												<u> </u>	
		1												<u> </u>			
25. TUBING RECO	RD						,					CIZC		DEPTH SET	(MD)	PACKER	SET (MD)
SIZE	DEPTH SET	(MD)	PACKER SET (	MD)	SIZ	E	DEPTI	H SET (MD)	PACKE	R SET (MD)		SIZE	一	CAL TITOLI	<u>(may</u>		<u> </u>
26. PRODUCING IN	TERVAL S		·		<del></del>		l		27. PERFC	RATION REC	DRD						
FORMATION		TOP (ME	) BOTTO	OM (MD)	TOF	(TVD)	вотто	(COVT) MC	INTERV	AL (Top/Bot - N	ID)	SIZE	NO. HO			RATION STA	
(A)		<del></del>												Oper	<del>-</del>	Squeezed	
(B)														Oper	=	Squeezed	
(C)													<u> </u>	Oper	一	Squeezed Squeezed	=-
(D)					<u> </u>			ئـــــــــــــــــــــــــــــــــــــ	****				<u> </u>	Opei	<u>'                                    </u>	Squeezed	<u></u>
28. ACID, FRACTU	IRE, TREATMEN	r, CEMENT	SQUEEZE, E	IC.						TOT OF 114T	EDIAL						
DEPTH	INTERVAL							AM	UNIAND	TYPE OF MAT	ENML				<del></del> -		
	<u>,</u>									<u> </u>	<u></u>			<u>:_</u>			
	- A									<del></del>							
															30. WE	LL STATUS	:
	TTACHMENTS: CTRICAL/MECHAN DRY NOTICE FOR			NT VERIF	ICATION			GIC REPOR	r [	DST REPOR	r [		CTIONA	L SURVEY		P&.	Α
		<del></del>	· · · · · · · · · · · · · · · · · · ·	_ ·		(C	ONTIN	UED ON	ВАСК)			V 2 2	201	0			

DIV. OF OIL, GAS & MINING

	DUCTION				RVAL A (As show		OIL ~ BBL:	GAS-MCF:	WATER - BBL:	PROD. METHOD:
PATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		RATES: →			WATER - BBL:	INTERVAL STATUS:
KE SIZE	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL:	GAS — MCF:	WATER - DOC.	
		<u> </u>		INTE	ERVAL B (As shor	vn in (tem #26)				PROD. METHOD:
	201000	TEST DATE:		HOURS TESTED	);	TEST PRODUCTION	OIL - 88L	GAS - MCF:	WATER - BBL:	PROD. METROD.
E FIRST PRO	JUUCEU.			BTU - GAS	GASIOIL RATIO	RATES: → 24 HR PRODUCTION	OIL BBL:	GAS-MCF:	WATER - BBL:	INTERVAL STATUS
CKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVIT	B10-010		RATES: →	<u> </u>		<u></u>	
	<u> </u>			INT	ERVAL C (As sho		· · · · · · · · · · · · · · · · · · ·	Jaco MOE	WATER - 88L:	PROD. METHOD:
TE FIRST PRO	ODUCED:	TEST DATE:		HOURS TESTER	HOURS TESTED:		OIL BBL:	GAS MCF:		INTERVAL STATUS
OKE SIZE:	TBG, PRESS.	CSG. PRESS	API GRAVIT	Y BTU-GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: —	OIL - BBL:	GAS - MCF:	WATER - BBL:	MIERVALGIATO
	<u> </u>	ــــــــــــــــــــــــــــــــــــــ			TERVAL D (As sho	own in Item #26)				
TE FIRST PR	ODUCED:	TEST DATE:	<u> </u>	HOURS TESTE		TEST PRODUCTION RATES: -	OIL - BBL:	GAS - MCF:	WATER - BBL:	<u> </u>
HOKE SIZE:	TBG, PRESS.	CSG. PRES	S. API GRAVII	Y BTU-GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: -	OIL-8BL	GAS - MCF:	WATER - BBL:	INTERVAL STATU
OLEGOSITI	ON OF GAS (Sole	Used for Fue	, Vented, Etc.)	<u> </u>			-		•	
, piarcoini	010 07						A FORMATION	(Log) MARKERS:		
SUMMARY	OF POROUS ZO	NES (Include A	quifers):				Jago a Granda in a constant of the constant of	1		
now all import sted, cush on	ant zones of poro: used, time tool of	sity and content sen, flowing and	sthereof: Cored in shut-in pressures	ntervals and all drill-ste and recoveries.	m tests, including (	de pira entervas				
Format	tion	Top (MD)	Bottom (MD)	Descr	riptions, Contents, e	elic.		Name		Top (Measured Depth)
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	NAL REMARKS (	include pluggi:	g procedure)							
Refer to	Exhibit A					all a Walter	acouds.		<del></del>	
Refer to		oregoing and a	tached informati	on is complete and c	orrect as determin	ned from all avallable i				
Refer to				on is complete and c	orrect as determin		oject Mana	ager		
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Refer to  36. I hereby  NAME (PLE  SIGNATUR  This report  co dri rec	certify that the format is a second of the sub-impleting or planting to completing to	teven H A  mitted within ugging a ne al laterals fro a different p	an 30 days of w well om an existing producing form	ı weil bore nation	reentering     significant     drilling by	TITLE Pro	oject Mana //22/2010 ged and aba xisting well b tory holes, si	ndoned well lore below the p luch as core sar	previous botton nples and strat	n-hole depth igraphic tests

Send to:

Utah Division of Oil, Gas and Mining 1594 West North Temple, Suite 1210

Box 145801

Phone: 801-538-5340

Fax: 801-359-3940

Salt Lake City, Utah 84114-5801

### **FXHIBIT A**

## Kaiser Steel 1

- 09/28/2009 RIH w/43 JTS 2 3/8 Tagged @ 1335'
  Pumped 290 BBLS Fresh H2O did not circulate, POOH SWIFN
- 09/29/2009 Mixed one flat tank (250 BBLS) LCM & Pumped did not circulate Pulled tubing up 3 joints. Pumped 144 sacks of cement.
  Flushed with 3 ¾ BBLS fresh H2O. POOH and lay down tubing. SWIFN
- 10/26/2009 Met Bart Kettle @ well. Ran slick line fluid level & LCM @ 191' from surface. Tagged at 561'. Pumped 180 sacks of cement did not reach surface. SWIFN
- 10/27/2009 Met Mark Jones @ well. Ran slick line TD @ 406' (no fluid) SWIFN
- 11/03/2009 Met Mark Jones @ well. Filled well with fresh H2O to surface. Ran 2" Poly to 110'. Pumped cement completing plug to surface with +/- 70 sacks. SWIFN
- 11/05/2009 Cut off well-head & weld plate on casing complete with well identification info. Back-fill & complete well site restoration & seeding.

506 sacks of cement were used to complete P & A. Operator presently working with surface owner for sign-off. Previous operator had agreed to build a corral structure on location. Surface owner is working on plans for corral that meets his satisfaction.

Stone H Coult